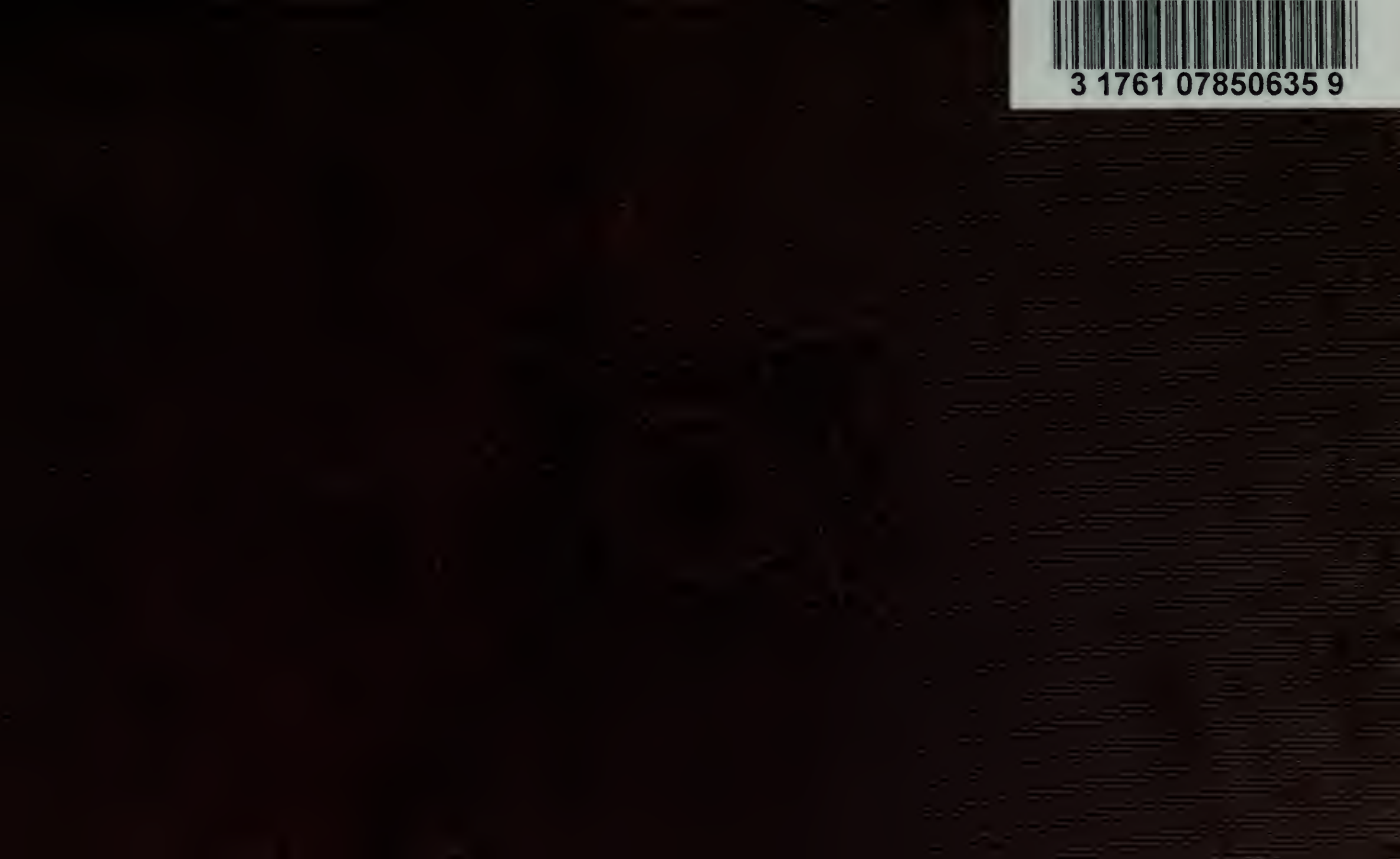
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MANAGEMENT AND MEN

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A RECORD OF NEW STEPS IN INDUSTRIAL RELATIONS

BY
MEYER BLOOMFIELD

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TO
MY WIFE

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PREFACE

In passing from war to normal conditions of production British Industry is facing a host of labor problems and it is resolutely undertaking measures to solve them.

Whatever may be his own particular economic interests or outlook every thinking American is aware that industry in the United States faces problems of a similar nature. Unlike Britain however, we are not for the moment under quite the same pressure to effect a settlement of insistent issues in the field of Industrial Relations.

But the issues are here. Both wisdom and conscience admonish that they be met with intelligent sympathy. A policy of drift is no policy at all, and in the present circumstances such a situation is not without its dangers. The time is favorable for constructive work, through joint effort by employers and the rank and file of workers, in meeting at least some of the most important of those questions which are lumped under the heading of the labor problem.

Fortunately we have before us the guidance of present British experience. Moreover a hopeful factor in the situation is the circumstance that a growing number of employers and a host of spokesmen for the working masses have the vision and the spirit which if united with energy and candor to the end of making work relationships sound will give to American industry a future full of promise.

Although we have not suffered as has Britain the need for action is clear. Our normal industrial activities have largely escaped the ravages of warfare for four years and more. There has not been that drain on America's man-power which the British Isles have experienced. Our human losses have indeed been grievous, our sacrifices great. But in England, Scotland and Wales there is scarcely a home which has not in some way felt the lethal breath of the trenches. There the war spared nobody and the people have come out of the ordeal with mind, will and purpose profoundly stirred. In the industrial world this thought has taken shape:—British industry must in future speak the joint purposes of the parties engaged in its operations; it must manage its affairs so as to assure to its workers larger returns than before in self-respect, satisfaction and security.

It was my good fortune in the fall of 1918 to be commissioned by the "Saturday Evening Post" to visit the industrial centers of Great Britain and tell of conditions as they appeared toward the close of the war and during the period immediately following the Armistice. For all their trying preoccupation with war duties, officials of the Government, of the labor organizations and of the Labor Party, employers, and men and women foremost in the significant movements of the country gave liberally of their time and counsel and opened up fruitful sources of information. My thanks are due to the "Saturday Evening Post" for permission to reprint the series of articles that I had written for it.

For constant personal assistance, criticism and contribution of material, I must acknowledge my indebted-

ness to Wilson Harris of the "London Daily News," Herbert Tracey of the Labor Party, E. J. Phelan of the Ministry of Labor, and Miss Mary Crosbie of the Woman's Trade Union League. Sir Robert Hatfield, W. L. Hichens, P. J. Pybus, Charles Renold, Gordon Selfridge and Seebohm Rowntree made it possible for me to see what progressive employers were doing. I owe thanks for unfailing friendliness and help to Lord Eustace Percy and A. Zimmern of the Foreign Office, Sir Stephenson Kent, John Chartres, Lord Pirrie, Major Evelyn Wrench, Major C. T. Holland; Albert Mansbridge of the Workers' Educational Association; A. W. Tyler of the Coöperative Printing Society; George Lansbury of the "Herald"; J. T. Brownlie, the head of the Amalgamated Society of Engineers; H. H. MacTaggart; J. H. Thomas, Arthur Henderson and C. W. Bowerman; W. A. Appleton, Secretary of the General Federation of Trade Unions; J. S. May, General Secretary of the International Coöperative Alliance; A. H. Paterson, Secretary of the National Alliance of Employer and Employed; Joseph Thorp, John Hilton of the Garton Foundation, Henry Clay, G. D. H. Cole and the other members of that most stimulating group which meet weekly in the "Dean's Yard" basement; S. K. Ratcliffe of the "Manchester Guardian"; J. C. Squires of the "New Statesman"; and Geoffrey Dawson, Editor of the "Times." I owe much to the men and women in the mines, mills, factories and shipyards of Great Britain, for their personal letters, their interviews and general spirit of helpfulness.

The main text of this book is made up of articles written for the "Saturday Evening Post," but new

and illustrative material has been added which serves the practical purpose of showing in detail just what new arrangements in Industrial Relations are at work. This material is important and carries a message for industry in the United States. We do not need to imitate maybe, but in furthering the ends of better output and a worthier manhood and womanhood in American industry, we stand to profit from an informed interest in what industrial Britain is thinking and doing.

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MANAGEMENT AND MEN

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CHAPTER I

FROM WAR TO WORK IN GREAT BRITAIN

OUT of the welter of many isms and programs which the passing of the war cloud from these British Isles has brought to light two things are clear: One, that pre-war state of mind of employer and of those who work for him has undergone a change; the other, that unless the peace ahead is to be both sterile and stormy every capable man's shoulder must be put to the wheel of industry and help begin the mending of the war wastage with more and better work than has ever been done before.

If anything can be said to be settled in a time of so much unsettlement, of moving from a gigantic war footing to normal, it is the fact that both duty and self-interest require for the job of starting up the industrial circulation of the nation something of that same patriotic spirit all round which made it possible to overcome the great peril.

All the agitation and discussion now going on throughout the land a big word covers, and it means all sorts of things to all sorts of people. That word is reconstruction. To some—not a large number, perhaps, so far as one can judge, but a noisy and an energetic crowd, skilful in capitalizing every element

of inevitable disaffection in these troublous times of change—the only reconstruction worth looking at bears one brand and familiar trade-mark: Russian Bolshevism. The Bolshevist is right on the job in this war-burdened land, and he is making himself heard whenever and wherever opportunity offers. In this home of free speech he does n't have to work under cover. You will find him out in the factory yard, on the bus top, in both East and West End tea shops; and he is in his element at the mass meetings, whose number is legion.

Go to any Albert Hall gathering, whatever may be the purpose of the meeting; he is on hand to capture the meeting if he can, to heckle the speakers, and in general to start something. One Sunday night not long ago this hall was packed to the roof. A voice in the topmost gallery, louder than that of the poor speaker who was trying to hold his audience, yelled "We want a Trotsky revolution." There were cheers and cries and applause, but none so vehement as those which followed the retort of the young man of the pale face and the silver badge—the insignia of the returned and disabled soldier: "Why don't you clear out then and go back to Russia?" And these familiar exercises over, the speaker was allowed to proceed.

British good sense has always been the saving grace in every emergency, and it may be said to be getting into action at this juncture for all the threatening differences so vehemently aired. One good sign of this is the general inclination to face with sympathy and good will, and also with a serious effort at understanding, the new purposes which have taken hold of the

minds of the people. One evening while waiting for the doors of an assembly hall to open I was talking with my neighbor in line. He was a postman in uniform.

"What is coming off in this country?" I asked. "People are talking about changes. Is Russia going to be the model?"

"Not by a long way, it is n't—unless some very tall blunders are made. We have the vote, and now six million women are going to vote. We go along the constitutional way. We want no mob rule tearing everything up. The Bolshies are only Prussians painted red. We have n't put up with four years to save our country and then let them do what we would n't let Jerry do."

Jerry is trench for Hun.

More and better work, carried on under conditions which satisfy those who do it, be they managers or laborers, that their good will can be in it—these are the twin peaks of what may be called the general labor problem here. All sorts of other peaks and ridges line the industrial horizon; all sorts of trails and pathways show on the industrial map which many are busily redrawing—but they do not all lead to the Promised Land.

All through the war the country has been prosperous. Women who never before saw the inside of big Piccadilly and Regent Street shops became familiar customers of the luxury departments. That ghost which haunted the very retreats of pre-war statesmen, unemployment, was happily laid, at least for the time being. There was work enough—something new in British memory. Labor disturbances, though not unknown during the war, fell to a small figure, for war

power has a way of bringing industrial disputants to terms, and short shrift for the recalcitrant. A grim reminder of this force was a tattered poster I saw on the wall of a Clyde yard machine shop serving notice on a body of strikers that within seven days they would be called to the colors unless they returned to work. The poster was dated September, 1918; it seems ages ago in tone.

Industrial peace, then, there has been, on the whole; but this is not to say that industrial unrest had vanished. The illusion of general prosperity covered up the real situation, while a marvelous national sacrifice to ward off imminent disaster submerged every other emotion. The heavy exertion of war-making does not usually carry over into the moods of peace. Let go the tension and a reaction easy to mark sets in. The spirit of ready sacrifice keyed up the population for nearly four and a half years; and all the people made sacrifices—rich and poor alike; make no mistake about that. Now war at best is a spendthrift business, and the future is its prey. Unemployment passed out of the country during the war because trade was booming, new demands on the labor power mounted daily, productive men by the million left their work places for the Front, the government became the great spender and almost monopolized the purchasing power of the nation, having to pay no regard to the consequences of destroying rather than replenishing things. Give up these huge artificial stimulants and there is some job ahead.

Will the generous spirit which floated the British nation through the war last long enough to save it from rocks in the peace channels? The indications are that

it will. Only facts have to be faced and spades and things called by no camouflaged words. Right through the war there were charges and counter charges between employers and employed. Bad feeling, distrust, calling of names were not infrequent. Each side asserted solemnly and without reserve that the other was putting self above country and was busy making ready for the day when war pressure was off and the field open once more for the best man to win. Employers have complained of labor profiteering, slackness, indiscipline and shocking time-keeping—that is, absence from work. The men talk of fat war profits despite the tax bills, oppression of the workers, subtle attempts to undermine their organizations, and, to top it all, the jump in living expenses. During the war these recriminations got but little hearing. Now they hold the front page.

There can be no question that, while the war was on, a real brotherhood of sacrifice was the general sentiment of the nation. Industrial bitterness was, like politics, adjourned for the period of the conflict. How to keep something of that spirit alive and give that bit of the civilized world not yet in eruption a chance to build for the future of its own people and do something for those of the shaken lands—here is the biggest problem in industrial statesmanship.

The return to peace calls for a sloughing off of old-time formulas in the industrial bargain; a scrapping of platitudes; a truce to inertia; a frank facing of what has to be done. This is not the special chore of any specially ordained set of men. It is supremely the chore of every fair-minded man, be his job what it may. Not much headway will be made if the old imps

of class suspicion and stupidity hold the stage, nor if lively coöperation among all the parties concerned fails to obtain. Never have said parties been so much in one boat as now, whether they are aware of this fact or not.

What the war did was to push the problem and fact of industrial unrest into the background; it did little to cure it. No intelligent man believed that it would stay down when peace came and the cement of common effort crumbled.

The entire subject of industrial unrest was gone into carefully by a commission made up of first-rate citizens. These men were not theorists, and they did not start out to prove any pet idea of their own. When they finished their job they told the country some plain truths, of use to keep in mind at the present time. Unrest, these hard-headed men said, was nothing new in the industrial life of the country. So far as it arose from small or temporary causes the matter could be dealt with by a little application of judgment and unselfishness. But the unrest which went down deeper and kept smoldering, with here and there an outbreak of bad temper and disaffection—that called for a broad-minded view of conditions which had to be dealt with in a statesmanlike way. The commission did not fool itself into believing that individual agitators were responsible for chronic discontent. They mince no words, to be sure, when they view the performances of extremists who bow to no authority but that of their own impulses and undermine the influence of the workers' chosen representatives in supporting orderly trade agreements. But the heart of British labor, take it by and large, is sound; the typical workingman

believes in constitutional methods; one hears this phrase used again and again everywhere—but this same typical workingman has grievances a-plenty. Soaring food prices and general profiteering are constant sources of embitterment. Though the government has skimmed the cream off profits and incomes the men believe that an unconscionable amount of sudden affluence has come to many, and they are mad clear through.

Shortage of houses has for years been a crying evil, but very little has been done about it.[1] Big war wages have made no difference so far as getting accommodations is concerned, and thousands of families who want to live as the English-speaking race has learned to live find it impossible. All sorts of petty restrictions, lack of enterprise and obstructive land laws have stood in the way and have bred a mountain of ill feeling. No pronouncement of the government has met with more hearty approval than that connected with its housing program. As far back as 1901 it was shown that in England and Wales alone nearly three million persons lived more than two in a room. In Scotland and in Ireland conditions were even worse.

The house famine has been growing on the country. During the war building operations came to a standstill of course. The result to-day is bad overcrowding and congestion in nearly every town in Great Britain—in all the mining districts, where the men are bitter and discontent is rampant; in all the agricultural sections; and notoriously in the leading manufacturing

[1] See page 209. Labor's Statement on the Housing Problem after the War. Report by Ministry of Reconstruction on Housing in England and Wales.

centers. The common estimate is that the country is about one million houses short. At present landlords are prevented from raising rents above the pre-war figure by the Restriction of Rent Act. They cry out that ruin is staring them in the face. The act holds good for six months longer, after which a jump in house rentals must surely come. That will not help matters. From every point of view there is the most urgent need for prompt action. If there is, no one will expect miracles; the men will wait a reasonable time for houses if they see that the country is at last awake to this need and is doing something worth while to meet it. But they will not put up with more promises.

There is another reason for a bold housing venture: No one knows just how much unemployment, even of a temporary kind, may hit the country; or where it will occur. All sorts of dislocations are taking place, and more are bound to take place during the crucial next six months. Until the factories have had time to get back to their proper work and raw materials are forthcoming sufficient to enable industry to get into its stride there will be a period of anxiety for everybody. The building of a large number of houses would provide legitimate employment to thousands—hundreds of thousands of men who would be otherwise out of work. To provide three hundred thousand houses would employ four hundred thousand men of the building and allied trades and spur the furniture and other household trades.

As the present cost of building material is more than double that of the pre-war figure, and as prices may in a few years go down somewhat, no builder is inclined to take all the risks. The government is therefore

making its plans for a national house-building project subsidized by the state under an arrangement with various local governments.

National aid for housing, both as a commendable employment project and as a means of meeting the outspoken demands on the part of masses of workers for better conditions, is only one line of state activity. There will be a large extension of such activity in other directions. What has already been promised only foreshadows other far-reaching enterprises intended to serve the same purposes. Lands, forests, farms, highways, transportation, public education, social insurance—these are among the topics which have left the academic shades and have become live practical issues.

When war broke, this country saw employers and workmen carry on their various occupations under a heavy crust of custom, tradition, habit and trade practices which must represent the overgrowths of a century or more. When speed in production became a life-and-death necessity to the nation a clean sweep had to be made at once of every sort of obstruction. The government called in representatives of the big trade unions, and with them drew up what has since become known as the Treasury Agreement.

This agreement called for a speeding up, and a manning of the factories regardless of any previous conditions or understandings. New and faster machinery was to be introduced, operations split up so as to allow for dilution of the working force by men and women of less skill; emergency training courses set up in place of the traditional apprenticeship; and payment by results enforced. Doors were thrown open to

newcomers in trades hitherto the precious preserves of highly competent craftsmen. To help win the war, and in view of the agreement, trade unions gave up rules and provisions which they had built up through the generations.

The government pledged itself to "restore," when the war ended, all that the unions had waived. Here is the restoration pledge and the guaranty:

Provided that the conditions set out are accepted by the Government as applicable to all contracts for the execution of war munitions and equipments the workmen's representatives at the Conference are of opinion that during the war period the relaxation of the present trade practices is imperative, and that each Union be recommended to take into favorable consideration such changes in working conditions or trade customs as may be necessary with a view to accelerating the output of war munitions or equipments.

The recommendations are conditional on Government requiring all contractors and sub-contractors engaged on munitions and equipments of war or other work required for the satisfactory completion of the war to give an undertaking to the following effect:

1. Any departure during the war from the practice ruling in our workshops, shipyards, and other industries prior to the war shall only be for the period of the war.

2. No change in practice made during the war shall be allowed to prejudice the position of the workpeople in our employment, or of their Trade Unions in regard to the resumption and maintenance after the war of any rules or customs existing prior to the war.

3. In any readjustment of staff which may have to be effected after the war priority of employment will be given to workmen in our employment at the beginning of the war who are serving with the colors or who are now in our employment.

4. Where the custom of a shop is changed during the war by the introduction of semi-skilled men to perform work hitherto performed by a class of workmen of higher skill, the rates paid shall be the usual rates of the district for that class of work.

5. The relaxation of existing demarcation restrictions or admission of semi-skilled or female labor shall not affect adversely the rates customarily paid for the job. In cases where men who ordinarily do the work are adversely affected thereby, the necessary

readjustments shall be made so that they can maintain their previous earnings.

6. A record of the nature of the departure from the conditions prevailing before the date of this undertaking shall be kept and shall be open for inspection by the authorized representative of the Government.

7. Due notice shall be given to the workmen concerned wherever practicable of any changes of working conditions which it is desired to introduce as the result of this arrangement, and opportunity of local consultation with men or their representatives shall be given if desired.

8. All differences with our workmen engaged on Government work arising out of changes so introduced or with regard to wages or conditions of employment arising out of the war shall be settled without stoppage of work.

9. It is clearly understood that nothing in this undertaking is to prejudice the position of employers or employees after the war.

[Signed] D. Lloyd George
Walter Runciman
Arthur Henderson
Chairman of Workmen's Representatives
Wm. Mosses
Secretary of Workmen's Representatives

March 19, 1915

This is the war charter of restoration. The men are asking the government to redeem its pledge. But, alas, it is much easier to talk restoration than to restore amid new conditions and emergencies. Efficiency once tasted and pronounced good cannot be so easily dispensed with. To slow down production at this time to the basis before the war would be for the British Empire to commit industrial hari-kari. Getting rid of the new workers who have shown themselves highly proficient is something not to be lightly undertaken. Here is a hard nut to crack—employer, workmen and government are wrestling with this restoration business. To the credit of all concerned be it said,

restoration in the strict sense used when the pledge was made is quite generally recognized to be impossible. The line of final settlement lies in new understandings and safeguards worked out to protect both the interests of the men and of the industries of the country.

Right here let me pay a tribute to the sane influence of Mr. Gompers' speeches in this country. Conditions being different here from what they are in the United States the labor organizations between the two countries vary. Fundamentally their aims may be alike, but they do not see eye to eye in every particular. Mr. Gompers' long experience has taught him that an industry must be efficient and profitable if any gains are to be made. He is for efficiency as well as for a fair distribution of the results of such efficiency. Many people here have been puzzled by Mr. Gompers' advocacy of improved production. It sounded to them as if he were preaching the employers' gospel. This state of mind shows the nature of the gap which has yawned between employers and employed in this country. Gradually the meaning of his preachment is coming home, and these words of his are frequently quoted:

"We are not going to have the trouble in our country that Britain had with restriction of production. We in the United States have followed a different policy. We say to the employers, Bring in all the improved machinery and new tools that you can find. We will help you to improve them still further and we will get the utmost product out of them. But what we insist on is the limitation of the hours of labor for the individual to eight hours per day. Work two shifts if you please, or work your machinery all round the twenty-four

hours if you like with three shifts, and we will help you, but we insist on the normal working day with full physical effort. We will not agree to that overwork producing the poison of overfatigue, which destroys the maximum of production, undermines the health of the individual worker and destroys his capacity for daily industrial effort."

Demobilization, civil and military, is actively under way. Millions of men and women are involved. Miracles cannot be worked to make the process of starting up the normal activities of industrial plants coincide exactly with the flow of labor. Therefore hitches occur, human log jams, and it takes some skill to keep up a semblance of order. One factory, without a word of notice, suddenly discharged its thousand munition girls. The next morning the place looked as if it had been through an air raid.

What manufacturers fear most just now is not a possible shortage of labor or even exactions on the part of labor; they are worried lest raw material may not come in fast enough to keep their organizations going.[1]

The conversion of British industry into a vast war machine was a great achievement. Its reconversion to a peace basis will be an achievement still greater. In the one case the withdrawal of men for the army and the demand for war material were relatively gradual —the national munition factories were not first put in hand till the war was nearly a year old; in the other the change will have to be accomplished within a space almost of weeks, unless the nation is to sustain an eco-

[1] See page 235. Report by Ministry of Reconstruction on Raw Materials and Employment.

nomic loss which it is in no condition to contemplate.

Moreover, though preparations for demobilization have long been in train the catastrophic collapse of the Central Powers in October was a result outside all calculations. It was always safe to count on three months' warning of the coming of peace. In the event there was not three weeks. The army, it is true, is still in the field, and demobilization on the great scale may be some distance off yet. But the pivotal men, those who just missed exemption as indispensable, are already coming back; and apart altogether from the army there are three million or more war workers in munitions and other supply industries at home who must not be kept a day longer than is absolutely essential in unproductive employment.

The immediate problem therefore is twofold: The war workers have to be disbanded, and disbanded in such a way that they shall neither be turned out on the streets nor let loose to capture the picked places in industry before the men still at the Front get their chance. That means, speaking broadly, that the whole field of employment has to be organized; that so far as is possible workers shall not be turned adrift till new places are open for them; and that sufficient posts shall be kept open in every industry to insure absolute equality of opportunity for the men in France and the Balkans and Mesopotamia and Palestine when in due time they get back from the trenches to the workshop.

That problem has been gone into by a dozen different committees in the past two years, and in the main the machinery for dealing with it is ready. The government departments chiefly concerned are the Ministry of Munitions and the Ministry of Labor. The task of

the former is to regulate the release of munition workers, the task of the latter to find places for the suddenly unemployed. The Ministry of Labor has been strengthened for its new responsibilities by the transference to it of the late head of the labor-supply department of the Ministry of Munitions, Sir Stephenson Kent, who will be the actual director of the whole demobilization strategy.

The machinery chosen is the employment-exchange system.[1] The exchanges were first set up under the Board of Trade in 1910, and were transferred to the Ministry of Labor on the creation of that department in 1916. Their function in peacetime was, as their name shows, to adjust the supply of labor to the demand throughout the country, to keep lists of all vacancies, of all men wanting work, and to facilitate the transfer of workmen where necessary from one district to another. At the same time they were responsible for the working of the unemployment section of the National Insurance Act.

The exchanges have not been an unqualified success —that for various reasons, notably the fact that in all skilled trades the men's trade unions served in themselves as effective agencies for the supply of labor. Now, however, the employment exchanges are being rapidly strengthened and increased in number to enable them to deal with a far greater problem than they were ever designed to handle.

Two factors are simplifying the demobilization: In the first place the Ministry of Munitions has some control over the rate of dismissals. The production of

[1] See page 250. "The Employment Exchange from Within"—Magazine of the Ministry of Labor.

munitions was not shut down to the blast of a whistle on November eleventh. On the contrary orders were immediately given that jobs half or two-thirds finished should be completed, and at the same time the plants were used wherever possible to produce commercial commodities instead of war material, with the same employees and on the same machines. Thus before the armistice was a fortnight old shell makers were turning out files and springs, grenade makers were manufacturing dairy separators, other munition firms were on the point of setting to work on electrical fittings, or toys, or furniture, or dairy utensils.

Then there was the fact that while thousands of men were wanting work thousands of employers were wanting men. When matters are finally adjusted there is going to be no lack of employment for years to come in Great Britain, though dark uncertainties are still present. Apart from the demands that will be made by France and Belgium for building material and furniture and machinery, the whole fabric of Britain itself is waiting to be put in repair. The mines must be worked at the highest pressure to make up the coal deficiency; the permanent way and the rolling stock of the railways must be overhauled from top to bottom; a million houses, and furniture to fill them, have to be constructed; and in a score of other industries that have been nearly at a standstill for the last four years every man who was in the trade before will find work to keep him employed on overtime for as far ahead as he can see.

That of course assumes that supplies of raw materials will be forthcoming, and it leaves out of account for the moment the fact that there are hundreds of

thousands of workers—principally women—competing in the labor market who were never competing in it before. But speaking generally the problem is to see that no employer is kept waiting for workers and no workers are kept waiting for work. That is what the employment exchange has to look after. Its equipment for the task consists of a manager of each exchange, with an advisory committee of employers and workmen in the locality to support him. Every large town has its exchange, often with several branches, and throughout the smaller towns and villages there are resident agents serving the same purpose as the fully developed exchange. The system is centralized in London in the Ministry of Labor.

By the middle of November the exchanges were hard at work dealing with the flow of discharged war workers. From the workers' point of view the situation was not desperate, for all who had been engaged on munitions, in the widest sense, were guaranteed unemployment pay for six months at the rate of twenty-four shillings a week in the case of men and twenty shillings in the case of women. That is no great figure, with the cost of living what it is to-day, but it is a material relief to the drain imposed by a spell of unemployment on savings, and after years of unbroken physical strain there are many to whom the prospect of a few weeks' holiday is welcome enough.

That, however, does not lessen the magnitude of the great changeover, and it has to be remembered that for one worker who voluntarily takes a few weeks' rest a dozen will of necessity be kept idle while machinery and plant are being readapted from their war

to their peace operations. And the moment demobilization begins in earnest their numbers will be multiplied daily. For the soldiers an effective scheme is in operation. They, like the munition workers, have unemployment pay guaranteed, and in their case over a period of twelve months instead of six. At the same time steps have been taken to keep the volume of even temporary unemployment at the lowest level. Every employer who wants a particular workman back is invited to ask for him, and every soldier who wants a particular piece of work is invited to apply for it. That holds good whether the soldier is in England or abroad. A postcard is given him to fill up asking whether he has a job waiting, and if so where. If he has not he states what kind of work he wants and in what locality. The employers meanwhile are also filling up postcards giving full particulars of the names and regiment and address of the men they want, and stating what kind of employment is waiting for them. All postcards from all sources ultimately reach the employment exchange for the appropriate district, after which it is easy to fit together the man who wants a particular employer and the employer who wants that particular man, while the others can be disposed of rather less immediately by the ordinary process of bringing together the supply and the demand.

But a scheme that works on paper may run on every kind of snag in practice. That is true of the demobilization plans. One difficulty that is going to arise is the wage question. That is inevitable. An attempt has been made to get round it by an act hurriedly passed to prohibit for the next six months the lowering

of the wage minimum current in a number of important trades without the special sanction of a government arbitrator. That is something, but it should be observed that it applies only to the minimum, not the average wage rate. At the best, overtime at special rates will be at an end, and highly paid munition workers will have to be content to go home at the week-end with much lighter pockets than in the past. It is not to be expected that they will flock with enthusiasm into employment where that prospect is before them. Many, moreover—and this is particularly true of the soldiers—will find their old work distasteful, and will probably enough prefer work in some industry that would soon be overstocked if all the applications for it were entertained.

That desire for change is seen on a small scale in the case of munition girls who either actually were or would in due course have become domestic servants. There is every sign of a general refusal to exchange the relative freedom of industrial life for the restraints of domestic employment, and the difficulties of the average middle class household are likely to be quite as acute during the first months of peace as they have been through the last two or three years of war. The same tendency will be found in men and women brought up to other trades. Many men, for example, whose life hitherto has been passed in offices and workshops will declare for open-air occupation in the future, either on the land in England or on the land in some British colony. That raises the question of training as well as employment, for the recognition is at last dawning on the British people that agriculture is a

skilled trade, and there will be no fear of the returned soldier being pitchforked into it untrained and unequipped.

These are the problems the employment exchanges have before them—and if the exchanges are run as mere machinery and nothing more they are going to break down very completely and very quickly. It is easy enough to pick up such convenient terms as "the transference of labor," and to talk lightly of "drafting," say, bricklayers from London to Lancashire. But when all is said a workman is a man and not a piece of mechanism. Neither is he a snail carrying his house on his back. The house he lives in is built into the ground and he has to leave it where it is when he goes somewhere else. For that reason he has a strong prejudice against going somewhere else. He is not going to be moved about the country like a pawn on a chessboard by some government official, particularly after a gruelling four years or so in the army. If he has got to go he must be satisfied that the move is for his own benefit.

That is where the employment-exchange advisory committees will come in. They have had comparatively little to do in the past, but their testing time has come now. Half the membership of each committee consists of trade unionists, so that the workman coming under their purview can count on sympathetic treatment. If the advisory committees can create and maintain a humanizing atmosphere throughout the employment-exchange system they should find it in their power to apply just that lubricant of good will and understanding that will keep the wheels of the machine running smooth and silent.

An overlooked factor in easing up the employment situation here is the quiet process of emigration which is going on. Here is a solution for some of the present industrial problems which is at once attractive and disquieting. No one has been especially pushing this movement, for it is a movement, and it is growing in volume. Employers are frankly anxious. The loss of a skilled adult worker may be definitely measured in terms of so many dollars invested. Change of habitation is not confined to the roving and the adventurous; it is quite as often a sign of vitality and ambition. Hundreds of men and women may be seen crowding the window displays of the various dominion-government offices along the Strand. Hundreds have gone within to ask for literature and make inquiries. Canada, Australia, New Zealand and the South African lands can make good use of the energetic men and women who have done such notable war work here during these four years past. Workingmen and their families are seeking better prospects abroad. They do not wish to put up with a period of anxiety about a job. Returned soldiers with a taste for the open gaze at the alluring landscapes and views of work outdoors in the spacious overseas dominions. They take away with them the folders and the prospectuses, and there is a serious look on their faces. Is history repeating itself? Every great war has resulted in a large shift of population.

The work of reconstruction and of restoration is going forward rapidly, not without its daily perplexities and fresh difficulties, but its stride is evident. Trade unions and the workers generally through their Labor Party are disposed to make the transition time

as orderly as possible. They willingly accept the new conditions in industry, knowing that the future of their country is at stake in the decisions that are being made. They will throw themselves into the task of upbuilding if they can secure in return a frank recognition of the moral advance which labor has made as a national force—an appreciation of the new self-respect which has taken hold of the humblest toiler. The workers ask for an improved status, a finer relation than they have had hitherto in the scheme of management. They think that within their own range of interests and opportunities they have contributions of value to make to the industries in which they are engaged. They regard employment as a venture in cooperation.

Such views and aspirations find no opposition on the part of the best employers here. On the contrary they are welcomed as holding out a promise of better relations and more productive organization. Here are the words of a great employer whose goods fill the world markets:

"It is idle to hope to increase output unless the confidence of the workers can be gained and their coöperation enlisted; unless, in other words, they can be placed in a position to understand how their work is needed for the sake of the future of the country, in the same way as they learned to understand the meaning and the purpose of their military duties. Confidence must take the place of suspicion, and public service the place of sectional self-interest in the relation between the two parties, or the lesson of the war will not have been learned."

Mighty little progress, and one-sided at that, will

take place in restoring and reconstructing if the women are left out of the account.[1] The woman worker has filled a big place in the war enterprise; she has been told this over and over again, and she admits it. She does n't for one little bit see herself as merely an incident in the industrial happenings of the moment; nor does she look upon her own peculiar industrial requirements as second to those of her male fellow worker. Men may propose this or that, and they do, but these women war workers have come to be considerable disposers, and likewise alert and astute proposers themselves. Before the war there were six million women workers in the United Kingdom, not far from a third of them in domestic service. For the actual replacement of men who had been called away for military service eight hundred thousand women were taken on. Some will go now, others will stay. Figures can be only guesswork just at present. I asked an intelligent-looking, fine-faced woman, filing delicate turbine blades in an engine shop, what she expected to do when the war was over.

"Well, sir," she replied deliberately as she laid down her file and started to wipe her spectacles, "I came here to help out in the war, and I have been working here for three years. If any soldier comes back or any wounded man from the service I will give up my place to him. I counted on doing that when I came here. But if any other kind of a man wants this place —well, I have as much right to live as he has."

Where did the woman's industrial army come from? As nearly as one can figure it out more than one hun-

[1] See page 253. Report of a conference on The Position of Women in Industry after the War.

dred thousand women came from the ranks of household servants; a large number had been working in a small way for themselves; girls came from school and farm and fishing village; women from their husbandless homes; thousands who had no need of the wage came for patriotic reasons, because the country called them. They have all of them earned their salt. They have made good. It is a safe guess to say that women will from now on be in industry in greater numbers than ever before. Many trades will be short-handed for some time to come. They will want the women. Suspended or reduced industries will soon be brisk again and they are glad to have the workers who have given such a good account of themselves in difficult trades. The question of wages will be a knotty one to settle, and many adjustments will have to be made day by day.

Woman is no longer an accident in industry. She has come to stay, and to take her place alongside the man in all schemes, plans, projects and programs which may be forthcoming. She asks no favors. All she insists on is a reasonably rapid acknowledgment of the fact that she has arrived, and she is strong in the conviction that her attaining industrial majority will be to the good all around.

There have been exaggerated impressions as to the substitution of men by women. At the most, replacement by women of skilled men has not been large. The increase in the machine trades, for example, has been almost entirely due to shell making, which involves working, for the most part, automatic or semi-automatic machinery. So far as shipbuilding is concerned, the number of women is negligible. The po-

sition of the skilled craftsman is not seriously prejudiced by the competition of the woman worker, except as processes are broken up and simplified so they call for less general skill. Whatever competition occurs between men and women workers will be found on the levels of unskill or semi-skill, and here labor-saving machinery is likely to play a big part in the near future.

When the Mexican peon has made his three or four days' wages he is ready to knock off, take his ease in his little neighborhood grog shop, bask in its sunny dooryard, and call it a week. He sees no reason for extending himself beyond what is needed just to keep him and perhaps his wife and children. If a few days' work will do it, so much the better. When his pockets are empty and the liquor has worked itself off, the call of the job is heard once more. The problem of alcohol is not a simple one to deal with anywhere; the evils to which it gives rise are too deeply rooted for any simple statement of remedies. We may be certain of this, whatever experts and laymen, reformers and standpatters may say on the subject—the words of a mine boss I once heard in a Western copper country to a miner reeling toward the cage shaft hold true: "See here, son, booze and mining can't work the same shift."

Great Britain has to face the drink question as one of its huge reconstruction jobs. Industry cannot come back to normal and better conditions with its pre-war drink load as it was. Employers and many labor officials realize this. One of the largest employers in England told a group of people the other day gathered to consider this question that Great Britain could

not hold her own with the United States unless the alcohol traffic was suppressed.

"Whatever may be said for the public house, the club and the home as regards drink, let us not forget that we have lost one million productive men, and about half this number in disabled. We may be impoverished industrially. America has lost much less, she is rich and growing richer—and is going dry. Does any one believe that we can compete with her on any equal terms if we let drink grip us as it did before?"

There is a strong campaign on for a national-health bill. Lloyd George has thrown himself into this campaign with vigor and with a lively sense of its importance to the British Empire's industrial restoration. "What is the first thing the great war has shown us?" he said the other day. "The appalling waste of human material in this country. Those who were in charge of recruiting came to the conclusion that if the people of this country had lived under proper conditions, were properly fed and housed, and lived under healthy conditions free from various evils and consequent diseases, had lived their lives in the full vigor —you could have had a million more men available and fit to put into the army. There are millions who are below par. You cannot bring up children under bad conditions. Put it at its lowest, all trade, commerce, industry—they all suffer through it."

The liquor business is coming under public control. Such regulation as was exercised during the war, with a reduction in the supply and a lowering of the alcohol content of beverages, effected at once a reduction

in arrests for drunkenness of men and women to one-third of the pre-war figures, deaths from alcoholism to one-fourth, and insanity from the same cause to one-half. From the side of industry, regularity of attendance, or "time-keeping" as it is called here, practically doubled.

Steady employment under the best possible conditions is the demand of every worker and of every worker's spokesman in this country. It is a well-founded demand. To bring this about is to steady this country as it has not known steadiness for decades. Every intelligent employer believes in this demand, for he knows that there will be little chance to make the wheels of industry hum and keep humming without a settlement of this universal hope.

What does labor ask of industry? It has formulated its program. Here it is in a nutshell: The throwing open of lands for use and development by the people; a public-health act to prevent preventable illness; a million new houses built at public expense and let at fair rents; nationalization of the public services, mines, railways, shipping, armaments and electric power; extension of trade unionism; a national minimum wage for each industry based on determinations by industrial boards sitting for each industry; abolition of the menace of unemployment; limitation of the hours of labor; drastic overhauling of the various laws dealing with factory conditions, safety and workmen's compensation; enlargement of the coöperative movement; international labor legislation to deal with the competition of sweated goods; revision of taxation upward; and equal treatment of men and women in government and in industry.

These purposes the spokesmen of the British labor forces have set themselves the task of bringing about through the power of their vote. They look to the method of parliamentary action as the means for accomplishing their aims and program. Any other method than that which democracy holds out is in their judgment suicidal. Only by keeping industry free from dislocation can any benefits come or last.

The war has shown the vastness of the slack or reserve energy which can be used for the national need. The repair of the deteriorated or damaged fabric of industry, the furnishing of new capital for expanded ventures in foreign trade, modernizing industrial plants, new taxation burdens of the war legacy, the high rate of interest which must prevail—these things will make it impossible to continue the level of real wages and standard of comfort which have reached down to classes formerly quite submerged in the scale of industry, without a very large increase in the aggregate product. Labor and capital are busy with solutions of this huge problem. Never before have groups of industrial captains and representatives of workmen been so much in conference as they are during these days. They are busy sizing up the problem and laying down the rules of the game. Both sides have learned lessons of value out of their war experience. They accept the proposition of better and more efficient work, a larger use of the man power of the country, better organization and discipline of the labor forces, more enterprise and wisdom on the part of managers and employers, a larger application of science to industry, better industrial training—these are the topics they confer about, knowing that to settle

these matters is to assure the production which alone means prosperity for all.

These issues are not new of course. They were ripening before the war. For a long time warnings of the rapid strides made by Germany and the United States had been uttered. But there was too much self-complacency to give heed. Even government figures had shown that the nation's output of wealth was not enough, even if ideally distributed, to provide a satisfactory standard of comfort.

The century-long fight against poverty was only a preliminary skirmish. The war has proved to be its most effective antagonist. By the middle of 1918 applications for pauper relief had fallen to two-thirds those received in 1914. It is not against poverty that the minds of employers, employed and statesmen are now directed. Funds started early in the war to relieve cases of hardship due to war causes have remained untouched. The big problem now is one of intelligent teamplay and coöperation.

Extremists on both sides may make the work of reconstruction difficult. If they succeed they will have chaos for their pains. For capital it would mean paralysis; for labor untold privations; for all concerned a wrecking of the springs of production out of which comforts come.

The way of hope lies along an industrial policy which reckons with the new viewpoint and new possibilities of mutual arrangement based on respect for what each factor in industry means to the other. Level-headed men in all camps subscribe to this view and are committed to this procedure. A competent authority consulted by all industrial leaders here has said: "To

hold the balance true between the economic and the human side of the problem; to increase at once the extent and the quality of the output; to make the work of each man in any position an integral and worthy part of his life as a citizen—this is a task for us as truly national as that of victory in war."

CHAPTER II

MORE OUTPUT

IN August, 1914, a certain Midland city of England, noted for its big trade in textiles, started to put itself on a war basis. By the close of the war its weekly output of munitions was as follows: One hundred and twenty thousand shells; twelve million fuse components; one hundred tank shells; twenty-five tank gear boxes; fifty searchlights; two hundred machine-gun emplacements; half a million airplane details.

To a people like the British—and this was the case with us—war-making meant some tall improvising. A church decorator turned out ten completed flying machines each week; a water-meter factory supplied millions of fuses; a plant normally busy with the making of wire netting soon became a principal producer of airplane parts; grain elevators became shell factories; a plant noted for its shoe machinery handled gun mountings; paper makers became trench-bomb manufacturers; and a large cloth mill made a reputation for its hand grenades. An old malt house, employing six hundred women, had begun to supply fifty thousand fuses weekly when a fire burned it to the ground. Within a few days a skating rink near by took its place.

The stress of war has blown new life into British industry. What had been accepted as a matter of course—dependence, for example, upon Germany for

the supply of certain industrial essentials—has given way to a new spirit of self-reliance and enterprise. Mica is absolutely necessary to the electrical industry. India produces fifty per cent of this article, Canada fifteen per cent and German East Africa ten per cent. Yet the mica market was all but moved from London to Hamburg, owing to the skill with which Germany had captured the control of the Indian mica trade and laid her plans for dominating the electrical industry. At present mica from the Indian Empire can be exported to London only. To her capture of the tungsten industry Germany owed in large measure her superiority in munitions production in the early stages of the war. Great Britain to-day produces all the high-speed steel needed for her industries and can export at reasonable prices a large supply to her Allies. Before the war the United Kingdom's production of ferrochrome, basic in the manufacture of certain steels, was a negligible quantity. There is a plant to-day at Newcastle-upon-Tyne, the power for which is obtained from the waste gases of coke ovens, turning out a sufficient quantity of ferrochrome to take care of all British requirements for years to come.

Out of two hundred and forty thousand tons of spelter in various forms used annually before the war seventy-seven per cent was imported, chiefly from Germany, Belgium and Holland. Now the flow of Australian concentrates has been completed diverted from Germany to England, and there has taken place a doubling and in some cases a trebling of British zinc-smelting plants. A long step forward has been taken in eliminating Germany as a provider of potash. The Stassfurt mines used to send over thirty thousand

tons of potash annually. It has been found, however, that fifty thousand tons of potash were going to waste each year in the dust or fumes from blast-furnace gases. Plants have been started or made over to save at least eighteen thousand tons from this source alone.

Among the close calls England suffered in the course of the war one of the most menacing arose out of its former dependence on Germany and Austria for scientific and optical glass. At the outbreak of the war a large part of the British artillery was equipped with gun sights manufactured exclusively in Germany. British output of this vital product to-day has multiplied twenty times, and the country is self-supporting so far as the finer grades of glass are concerned.

Much might be written about the big changes of a mechanical kind—changes in labor-saving devices, improved machinery, analyses of minute manufacturing costs, greater accuracy of workmanship and better industrial organization. Mechanical conveyors are being used in shop transport to an extent never dreamed of or encouraged before the war. Electric trucks are common where once swarms of men, and women, too, perspired over clumsy loads. A new interest in industrial research has led to the starting of plant laboratories and arrangements for coöperation with the technical schools.

A transformation of British industry is under way, and there is a changing viewpoint both on the part of employer and employed as to the big problem ahead. In a literal sense the war has paid for—paid in full—paid for by the lives of brave men; paid for by the limbs and physical senses of hundreds of thousands of youth in their prime; paid for by hours of toil of men

and women and children in shops and mines, fields and highways; and paid for by the thousands of millions of gold thrown into the war furnace. The debt alone remains.

Now it is elementary economics to say that payment of a debt can finally be made in one way only—in goods. There is no other way. Production is the only answer. All debts are finally liquidated in terms of things made. Be productive and all things shall be added unto you. This commandment cannot be trifled with without general misery as the penalty. But there is human nature to reckon with, and the practices with which it incases itself; and this human nature is no monopoly of any aggregation of men.

We may be as glib as we please about the necessity of production—no one gainsays it—but living up to all that it implies calls for a considerable amount of self-criticism. Things being as they are, the business of turning out goods sufficient in quantity and quality to pay mountainous obligations and give all concerned the wherewithal to enjoy a decent standard of life and supply incentive for exertion requires a certain "meeting of the minds," as the lawyers put it; a getting together of the parties chiefly concerned with this producing business in order to lay down the rules of the game, to draw up, as it were, the constitution under which said parties agree to live and work together and forward the common business, as far as there is any intention of a common purpose between and among them.

War wastage means a huge bill for replacement and restoration—at least it does to a people who will not go under; and this bill can be met only through a lively

speeding up of industrial activities. And this speeding up depends on the ideas and enthusiasms, or their lack, which animate or depress the parties to the task.

A good deal has been said about restrictions on output practised by workingmen and their organizations. The blame has been generally laid on the shoulders of one party alone. The fact is that workingmen have universally condemned such restriction, or what looked like it, perpetrated by their own employers. They saw, with the clearness of experts, how deadening to efficient production have been the conservatism in methods; retention of plants long out of date, inconvenient in their design and wasteful in their demands on time and on energy which should have gone into the work itself; they saw an unwillingness to make needed alterations, scrap antiquated tools and adopt the best current practice. They have been subjected to deadening influences all around. They know it and speak of it. Good workmen do not want to stay long in such places, because some protective craft instinct tells them that their own skill will suffer if they do. The truth is that men who have spent years at a trade and who take pride in their workmanship are among the best critics of equipment, methods and managerial standards.

No one defends the go-slow policy; no one believes that good can come out of a dishonest attitude toward one's work and contract. Condemnation is general, nowhere more outspoken than among enlightened workmen. But this does not tell the whole story. We must understand what is in the minds of the men who by unwritten law or hardened custom put brakes on the wheels of industry; and by understanding we

do not condone a mutually disastrous situation, but are in a position to deal with it intelligently. In the first place it is no longer startling to say that long hours of work defeat their ends. For a long time agitation against long hours was based largely on humanitarian grounds. Not until clear-sighted employers proved to their own satisfaction and the satisfaction of their fellow employers that there was a point beyond which the labor of men became a liability instead of an asset was this movement lifted into the realm of the practical. Sir Robert Hatfield told a group of business men the other day how his adoption of the eight-hour day twenty-five years ago led to the present gigantic size of his organization. Workingmen had long felt that they could do better work if they had an opportunity for rest, family life and self-improvement. But there were men of influence who dreaded the effect of a shorter workday on their own production and the demoralization which they believed would come with leisure. These fears, spoken freely for decades past in this land of liberty-loving men, have rankled deeply. They have been stupid fears, stupidly maintained, and have done harm. Enough to say, workmen do not wish to have any such paternal concern for their welfare, they do not need it and they resent it bitterly. Furthermore, the example of the most successful employers has proved that greater production depends on greater all-around efficiency rather than on the number of hours worked.

The war was not three months old before the problem of increasing the production of munitions in Great Britain became a burning issue. More material had to be got out of the factories and more work out of the

men. The two hung together, for though improved methods might in themselves result in an increased output, the essential reform was a redoubling of effort by the men who controlled the methods.

There was no question whether the men were capable of increased effort. They were capable. And yet with the war in full swing and the armies in vital need of munitions the factories were still running well below the level of their maximum capacity. The obstacle in the path was the trade-union restrictions, a subject on which throughout the war misunderstanding has prevailed and much bitterness has been engendered.

The restrictions themselves had a reasonable origin. They sprang from the workmen's perpetual fear of unemployment, combined with the belief—sometimes baseless, sometimes only too well grounded—that the employer's constant aim was to exact from his employees the greatest possible amount of work and pay them the lowest possible wages. To counter those real or imaginary dangers the different unions in self-protection evolved gradually a formidable series of trade customs and usages, designed to guard their members against the allied perils of unemployment and overstrain.

That system of trade customs embraced not only the standard rates of wages and the length of the normal working day, together with the arrangements for overtime, night work, Sunday duty, mealtimes and holidays, but also the exact classes of operatives—apprenticed or skilled, semi-skilled or unskilled, laborers or women—to be engaged or not to be engaged for various kinds of work, upon particular processes or with

different types of machine; whether nonunionists should be employed at all; what process should be employed for particular tasks; what machines should be used for particular jobs; how the machines should be placed in relation to each other and the speed at which they should work; whether one operative should complete a whole job or form part of a team of specialized operatives, each doing a different process; what wages, if any, should be paid in the interval between jobs or while waiting for material; and what notice of termination of engagement should be given; whether boys or girls should be employed at all, or in what processes or with what machines, or in what proportion to the adult workmen.

These customs decided whether the remuneration should be by time or by the piece, and under what conditions, at what rates and with what allowances; and perhaps, where they existed, most severely criticized of all, but by no means universally existing, what amount of output by each operative should be considered a fair day's work, not to be considerably exceeded under penalty of the serious displeasure of the workshop.

In no union had the practices falling under the head of restriction of output been more systematically developed or become more firmly established than in the powerful Amalgamated Society of Engineers, the union, as it happened, concerned beyond any other in the output of munitions. It was manifest that war conditions meant an immediate challenge to the machinists' whole position. Between union rules for restriction of output and national demands for a maximum output there could be no accommodation. The

situation was perplexing and perilous. The navy wanted more ships, the army wanted more shells, more explosives, more machine guns, more aëroplanes, and in face of that overwhelming need the men were standing obdurately on their rights, "imperiling the lives of their sons and brothers at the Front rather than brace themselves to work up to the limit of their strength or let their unskilled comrades share the high wages they were drawing."

So argued day after day speakers and writers who saw only one side of the question and had neither knowledge of nor regard for the other. For there was another side, and it consisted in this: The customs prevailing in the engineering trade represented rights won after years, almost after generations, of conflict with the employers. Bit by bit, as often as not as the result of some successful strike, the fabric of trade-union privileges had been built up; and the whole of the position so secured the men were now asked to abandon without a protest. They were to drop back into the conditions of twenty years ago, and that without any semblance of a binding guaranty that when the war was over the rights they had relinquished would be restored.

But much more than merely that was involved. That the abandonment of "demarkation" restrictions and the admission of unskilled men, perhaps even of women, into the closed preserves of the skilled, together with the abolition of limitation of output, would lead to an expansion in the production of munitions nobody doubted. But that it might lead coincidently to a substantial inflation of the employers' profits was equally certain to the minds of the workers; and the

expansion of the employers' profits was not an object for which the men were prepared to sacrifice the fruits of all their earlier industrial victories.

On those rocks the first attempts of the employers, in December, 1914, to secure the coöperation of the men in the reorganization of workshop conditions came to grief. The unions demanded more binding guaranties of restitution than the employers were able to give, and the negotiations made no substantial progress till the government itself took the matter up some three months later. As the result of its efforts an agreement, as I pointed out in a previous chapter, was eventually signed—by Mr. Lloyd George and Mr. Runciman on behalf of the cabinet, and Mr. Arthur Henderson and Mr. Mosses representing the men—that forms the basis of the whole structure of work-shop organization built up during the war period.

That agreement provided, in a sentence, that men engaged on war work should suspend for the whole duration of hostilities a number of specified practices which impede production, on the explicit guaranty by the government of full and complete restitution in every particular at the end of the war period. In return the government on its part undertook to devise a scheme of taxation which would insure that the profits derived from the men's increased efforts should go not into the pockets of the employers but into the national exchequer.

Under this compact, which was embodied in the Munitions of War Act and has been amplified and extended from time to time, the whole fabric of trade-union customs and usages has been jettisoned for the period of the war. Munition Courts have been es-

tablished to deal with the breaches of the agreement, strikes were for a considerable period declared illegal and arbitration was made compulsory; while to prevent "poaching" by employers a system of "leaving certificates" was instituted under which no man leaving his employment against his employer's will and without good cause shown could be given work within the next six weeks by any employer to whom the regulation applied. These particular restrictions, under which the men became increasingly restive, were subsequently modified, but the workman still remained under a discipline that formed a sharp contrast to his pre-war freedom and independence.

To enumerate the details of the temporary revolution would take too much space. It is enough to recall the main heads of the change, such as the introduction of women and laborers to do expert work under the supervision of skilled craftsmen; the establishment of new machinery; the change of processes and the breaking up of jobs to admit of the employment of the unskilled; the substitution of piecework and bonus system for time rates; the increase in the hours of labor and variation in the rates for overtime; the speeding up of production; the abolition of all artificial restrictions on output; and the suspension of all demarkation regulations.

That has been the position in the munitions industry throughout the war, the term munitions being used here in the British sense to cover almost every form of direct war work. There can be no question that the war changes have added enormously to the mechanical efficiency of industry, and if mechanical efficiency were the only aim to be considered the case for their

retention would be overwhelming. That statement, however, needs qualification in at least one important particular: The physical strain placed on the workers has been maintained without disastrous results for three to four years, but that does not mean that it could be maintained indefinitely without grave detriment both to health and to output. The investigations into the health of the workers, conducted by an able committee presided over by Sir George Newman, Chief Medical Officer of the Board of Education, made it clear that such practices as seven-days-a-week work have not even the advantage of an increased output to recommend them.

In any case, the question is not worth arguing on that level, for no sane man would concentrate on industrial efficiency to the exclusion of every other aim in considering the labor problem in peacetime. What the workingman is concerned about is not only how to earn the highest possible wages but also how to live the best balanced life. He insists on the restoration of the established customs and usages. High-tension pressure and no restrictions may be necessary in war, but they are not going to continue into peace. That is the workman's view, and that is the condition on which new contracts with employers will be made.

Here lies the justification for the men's demand for a complete restitution, though it is impossible, of the rights they have surrendered—a demand which the government is not in a position to resist. The provisions of the government's agreement with the men were specific. They undertook to restore without qualification or subtraction every custom and practice the men abandoned under the 1915 agreement. The time has

come for the redemption of that pledge. The government, indeed, after repeated promises and postponements, did on the eve of the general election lay before a conference of the men's representatives the draft of a bill designed to give effect to their undertaking. The men, after a careful examination, considered it in many important respects unsatisfactory, and it had not been laid before Parliament when the session ended. The result of the delay is that hundreds of manufacturers are unable to plan out their contracts because they are entirely in the dark as to what the labor conditions will be.

One solution of the problem is always open: The government can fulfil its pledges to the letter and reestablish every abandoned trade usage as it existed in July, 1914. That, unfortunately, may prove in the end to be the only course possible. But in the meantime there is a good deal of natural reluctance to do any such thing, for to fall back to the conditions of 1914 would be to fetter industry at the moment when it is very essential that it should be left free and elastic. The task before managers and men is to decide how to profit in common and in agreement by the experience of the war.

On that no satisfactory result will be arrived at on the basis of an enforced compromise. The men claim that if they are to surrender any of the rights of the past the surrender must be absolutely voluntary, and it must be made after, not before, the title to complete restoration has been accorded them by an Act of Parliament.[1]

[1] See page 269. Labor's Pronouncement on the Restoration of Trade Union Customs after the War.

There is a great deal to be said for that contention, for a true labor settlement would go far beyond even the wide limits of the ground covered by the various Munitions of War Acts. It would include not only the conditions of labor but the rights of capital. One of the greatest British employers has recently laid it down that "no business is entitled to make unlimited profits" and that "the principle of the profits tax should therefore be retained after the war." If the restoration of trade-union rights had to be deferred till a decision of those larger issues had been reached there would intervene a period of intolerable uncertainty and irritation. On a settlement the successful restarting of the peace industries depends. The men will have to forego some of the rights they have guarded so jealously, and the employers on their side will have to be reconciled to reciprocal concessions. Fortunately, the association of employers and workmen in different industries on advisory committees and joint councils promises to generate a spirit of accommodation on either side that should make smooth the path of what might be very difficult negotiations.

The essential conditions of settlement are that no class of men—and if possible no individual man—should be the worse off for the surrender of usages detrimental to the efficiency of industry as a whole. That raises, for example, the question of the retention of women in places once filled by men. In one great shipyard all the cranes are now worked by women, who do the job quite as efficiently as the men, while the men are released for other work that the women could not handle. This is a war change and the question is

asked what will happen when the old crane drivers come back and demand the reinstatement to which they are legally entitled. Apart from the hardship to the women the reversion to the old conditions would be thoroughly bad industrial economy. The firm therefore proposes to offer the returning men other positions as good in all respects as those they filled before the war.

Such changes will need to be carefully watched, for no two jobs are precisely comparable in every particular; but it is along those lines that the settlement may be looked for. If it is such as to avert the menace of unemployment, to guard against any fall in real wages and to maintain the worker's freedom the men may well be prepared to forego some of those artificial restrictions that appeared so necessary for their protection before the war. They are sufficiently strong to resist any attempt to take advantage of the new conditions, and the prevailing legislative sentiment will probably assist them to give legal force to such wage standards and labor regulations as may be agreed on as mutually beneficial by the bulk of the workmen and the bulk of the employers.

There are bodies of workmen who have frankly followed the go-slow policy; they have done so and still wish to do so deliberately in the assumed interests of their class and calling—this in the mistaken belief that there is only so much work to go around, and that if they got through with it too soon they would have "the sack" alone to look forward to. They have not realized—and what opportunity was there for them to do so?—that work and wages are elastic proposi-

tions; that wages come out of the stream of production. Widen the stream and you widen the wage opportunity.

Why should workmen have seen this truth when respectable names were associated with the doctrine of limits to the wage? Moreover, the easy-going practices in hiring and firing and memories of unfair advantages taken of their increased efficiency counseled a restraint against over-eager effort. The whole situation has been too wasteful to be regarded with any satisfaction. In this transition time it is being considered frankly and fearlessly. The remedy lies with the employer more than it does with his employees. Greater security of tenure, removal of the fear of sudden unemployment, and safeguards against a lowering rate, which is a penalty on efficiency, will do more to do away with suffocating restrictions than all the exhortations in the world.

If we try to catalogue the wastes that stand in the way of increased output, which output everybody concedes is the basis of prosperity and will alone make good the war damage, we should have to place at the head of the list the waste from ill will, or rather from absence of good will. I have always held that good will is as big a factor in rapid and economical production as skill itself. Great Britain has begun to think about the place of this valuable article, good will, in its production program. I do not mean to suggest that this is a new thought; far from it; there are establishments that have understood it and lived up to its suggestions for more than a generation. But never has there been so widespread an effort as now to work out a basis of mutual confidence in the relation of employer

and employed. It may fairly be said that all parties realize that the production called for is out of the question unless a new spirit of reciprocity is at work. To make this spirit possible waste prevention is one of the first obligations—prevention of wastes material and wastes human.

The war has thrown a searchlight on the way in which industry has been carried on for a generation past. Wartime economies have taught far-reaching lessons. The German submarine has been the champion promoter of British agriculture. Before the war half the total food consumed in the British Islands was brought overseas. But for the navy these islands would have been starved into submission. The navy not only kept open the channels of supply; it gave the country time to get busy on a great program of agricultural development. Though the Belgian farmer produces one hundred dollars an acre to twenty dollars of the British farmer, and the German farmer feeds about seventy persons to fifty persons fed by the British farmer for every hundred acres of land worked, the efficiency of the land worker here is not so low as these figures might indicate. The production per man in Germany is only two-thirds that of the farmer in this country.

These islands could not probably under the best conditions produce enough food to be self-sustaining, but with an extension of the tillage opportunities wonderfully abundant here there never need be any fear of suffering even in the face of a complete blockade. The holdings of land in small allotments for cultivation trebled during the war. In England and Wales they rose from about half a million to one million and a

half. Kitchen gardens still fringe the outlying sections of every industrial town; crops of fresh green vegetables raised near by swell the Covent Garden market stalls. Fifty thousand women volunteered their services in the Women's Land Army; not far from a quarter of a million women were at work on the land throughout the war.

Lost time, lost motion, spoiled material and a general slowing down of plant are subjects of sharp investigation these days. Never has scientific management, regarded as a distinct American importation, excited so much interest as well as controversy. As far as the spokesmen of labor are concerned they welcome every step forward in the way of scientific research, the use of the chemist, metallurgist, fuel analyst and other technical specialists. They say that men of science have not been sufficiently utilized thus far in industry. That factory organization can be vastly improved is generally conceded. Positions held by poorly trained men should be in the hands of those equipped with a knowledge of the best modern methods; closer figuring of costs and frank comparisons as between plants and districts should be more common. The planning and routing of jobs and a much better coördination among the various units of the same organization are obviously things that should prevail. Labor welcomes the use of science in industrial management just as it respects the services of the expert in civil service and other governmental activities. It holds large reservations, however, as to those matters, apart from technical problems of management, which it believes are vitally matters of general human concern.

On this point one of the greatest employers in the country, speaking at a public debate in a workmen's educational center, said: "Scientific management—that is, science in management, as the sane leaders of this movement look upon it—is not a solution of the whole industrial problem; it does not settle, and does not pretend to settle, how much of the products of industry ought to go to workman, manager, investor; it does not solve the unemployment problem or lay down rules for industrial harmony. These problems have been in existence long before any definite system of efficiency engineering was laid down in print. But one advantage of such a system, honestly and sensibly worked out, is to make much easier an approach to some of these problems. To help make men more productive with the least waste possible consistent with good upkeep of men and plant is fundamental good sense and applies everywhere."

The war has brought home the meaning of production as nothing hitherto could have done. In carrying on the war the accumulated wealth of the country was, of course, largely untouched, though it was devoted to new purposes. Houses, lands, railways, roads, canals are still here. Day by day the people have had to meet the huge demands of the military establishments. Beef, jam, tea, clothing, railway wagons, shells and armament—to the tune of about thirty million dollars a day—were requisitioned. These represent fresh production on a scale which deserves the adjective miraculous. Savings, borrowings, selling of securities, abstinence and enforced economies of various kinds—these helped to meet the current bills. But a large debt has been left for the future to meet—an an-

nual interest charge of more than a billion dollars to raise, over and above the taxes levied. Ultimately this debt must be paid—and paying for the war means replacing the things that have been destroyed, so as to have at least as much as before; must be paid for by a larger output or by getting on with less.

"We can easily write off our war debt by more output"—this is the opinion of a man who is generally regarded as one of the leading authorities in matters industrial—"and this increase does not have to be anything extravagant, if all work altogether. If everybody should add ten per cent to his productivity the bill can be met—everybody, not a few or a class of workers. The war has shown us that we can easily exert ourselves even more than ten per cent. There was always too much loafing, from the heads of industry down to the manual workers. We made far too little use of machinery. There is far too much drinking. Cut the drink bill of 1916 alone by fifty per cent and you have four hundred million dollars saved. We are still using horses—or worse still, human labor—where we should use steam power, motors and the electric current. We too often use old-fashioned steam power for electric power. The government, I'm glad to say, is going in for a large development of cheap electric power for the country—one of our crying needs. What we do to-day is done too often with ridiculously little science.

"Of course we can increase our output. Now we must do this or be poorer. Look at what makes for production—the factors that go into it are still here. Our land, for example, has not been devastated as it

has been in Belgium, France and Poland. Our stocks are here, machinery, tools, buildings. We must recognize that the labor is not all here. Our toll in death and disablement is great. Our loss in labor power can be made good; though we can never fill the void and lessen our sorrow, we can with a bit more time and exertion on the part of the labor power we have make up. I do not mean to suggest that we should overwork labor and add to its strain. Nothing would be more unwise. Much depends on organization, and such organization as we have had we still have. It has not all been knocked to pieces.

"We must insist on the land being used to produce the maximum amount of food for the people instead of the biggest interest or rent. Our factories show too much dirt and disorder and waste of confusion. As a rule we must take one to our new munition plants to show a model workplace. It is very bad for us to take things easily; it is not healthy. It is far better to be alert for a comparatively short day than to go slummocking about all day. I have seen skilled workmen do this, and they soon break down in efficiency.

"It all comes to be a question of putting more brains into industry. We have too often been putting our brains into trying to cheat each other; we must learn to apply them not merely to make profit but produce. The true way is to discover how to prevent waste and loss, to find how to do an operation in half the time and with half the effort—how to save half the capital. This is real economy and an addition to actual production."

No man in England has a stronger hold on the

thoughts and confidence of workingmen's organizations than the man I have just quoted. Here are his views as to how to get the most out of labor:

"By labor I mean, of course, the human beings who carry on the manual work. When you consider that we have something like fifteen million of these men and women who are manual working wage-earners, and that everything depends on their health and strength and training as to how effective they will be in industry, what a lesson that is to take care of the health and education of the people, and especially of the generation which is growing up. We killed more babies wantonly in 1915 through our public neglect than all the lives lost in the war on our side.

"Consider what an advance it would be if all the boys and girls out of the fifteen million workers, instead of being allowed, as a large number now are, to grow up rather clumsy, stupid louts who have not had their intelligence awakened, were turned out with as good minds, say, as the ordinary workingman student of the Workingmen's Educational Association classes. Think of the increased productivity in the real sense that such a trained and disciplined labor force would mean.

"We have so far muddled along without organization, but now we recognize that we have to face a great emergency. We must produce more or go short. This can be done by large-scale organization alone. How best to bring this about will take a good deal of investigation and discovery. We have too many separate people doing the same thing. To avoid the peril of monopoly we have no end of wasteful competition. Coal is our key industry. This industry has

fallen into the hands of about fifteen hundred coal owners, working over three thousand separate mines, without any regard to what each other is doing. This is true of our transport, agriculture and machine trades. Our main hope is in thorough reorganization on a national scale."

Closely related to the whole question of industrial expansion for the peace situation is the question of wages. What has done more than anything else to cause a feeling of panic among workingmen for a year past has been the dread that once the end of the war was announced a sudden drop in wages would take place along the whole gamut of industry. This dread has seized on every class of wage-earner.

Right through the war the big department stores were doing an abnormally large business, in many cases outrunning their sales for the previous year by fifty and sixty per cent. On the day that the armistice was signed the stores looked like a deserted village. For a few days the slump in business was accounted for by the celebrations and let-up after four hard years of strain. Then the influenza epidemic was dragged in as an explanation. But the slump kept up. Merchants called in their department chiefs to find out what had made the bottom fall out of business. Slowly the true explanation came to light. Retrenchment was the order of the day. With the shutting down of war orders a large proportion of trade automatically shut down. Thousands who were getting bonuses of various sorts and wages based on a labor-scarcity value were waiting for the scaling down of income that they believed must come.

No such drop has so far taken place. But the gen-

eral feeling was one of discounting what seemed the inevitable, and money was being spent on bare necessities only. An improved tone may be noted now. The business of the shops is picking up. Wages are not tumbling; nor prices. Everything is being done to steady the situation, but there is still a feeling of uncertainty.

The question of post-war wages is coming up for settlement. Much good has been done by statements of various large employers that no change in the wage scale would take place if only production could be maintained on the most efficient basis possible. During the greater part of the war period workers in most of the big industries, especially in those doing war work, were directly subject to compulsory arbitration. They were compelled to submit all differences for settlement by the government, without recourse to strike. Under the Munitions of War Act there was provided the additional power of acting in all industrial disputes by what was called Royal Proclamation, and this power was used in disputes, such as those which rose in the coal industry and among the dock laborers. A Committee on Production was established to deal with conditions in the engineering trades, so called—that is, the metal trades. It became a wage tribunal on a large scale. It struggled throughout its career with about two hundred different wage standards or, rather, wage districts. The workers' organizations have been trying to reduce this chaos of two hundred to about a dozen clearly defined scales. There are about three hundred thousand members on the rolls of one of these organizations, and on their output much of Britain's industrial restoration depends. There is good reason,

then, for the present activity in clearing up the tangled wage situation. Coal miners and railway men have been virtually state employees throughout the war, and the pre-war system of collective bargaining was the method used in all new wage adjustments.

Trade boards, at work for years before the war, acting very much like the Minimum Wage Boards in our states, continued without any change. All these boards have raised the minimum rates, which by certain new legal provisions come into effect earlier than has hitherto been the case. Wartime experience in wage adjustments will probably affect the methods used from now on. As the country needs nothing so much as a stable period of recuperation it is certain that the whole question of wage adjustment will be treated not piecemeal, as hitherto, and by localities, but—for big industries at least—by a policy of centralized wage negotiation and award. For example, workers in the metal trades, foundries, shipbuilding, chemical, docking and transportation industries have secured advances on a national scale, and national negotiations have begun to take the place of the old-time method of local wage arrangements.

No one can go very far into the production situation here without a fresh look at the wastage from the bunghole—the alcoholic bunghole. There may be such a thing as making too much of the drink situation here, because most men are sober, clean living and law abiding. Workingmen are not heavy drinkers, taken as a whole, and it is a fact worth noting that many of the well-known labor representatives here are total abstainers. But this is undeniably true: If any one thing threatens the large-scale output for which the

whole country is organizing itself it is a drink situation such as was familiar before the war. This country has been no worse in this respect than many another. If any people anywhere in the world follow the ways of order these of the British Isles most certainly do. But there is and there has been enough of a liquor problem here to make any slurring over of its mischief a source of great danger.

At the risk of going over familiar ground I must say something about the war experience with the liquor trade. During the war the drink question ceased to be a purely reform issue. It was dealt with entirely as a production question, and the temperance reformer as such was elbowed away by the business man, industrial magnate, efficiency expert and doctor, who were concerned wholly with the winning of the war. The drink traffic was assailed because it lessened working power and fighting power. From the point of view of both efficiency and economy the case against drink was argued with vigor, and there was every indication that at one time the government was about to prohibit the manufacture and sale of drink out of hand.

With emphasis and point Lloyd George, in a speech delivered in February, 1915, put the anti-drink efficiency case in words that struck right home. He declared that drink was causing delay in the production of necessary materials.

"Most of our workmen," he said, "are putting every ounce of strength into this urgent work for their country, loyally and patriotically. But that is not true of all. There are some, I am sorry to say, who shirk their duty in this emergency. I hear of workmen in armament works who refuse to work a full week's work for

the nation's need. What is the reason? They are a minority. But you must remember a small minority of workmen can throw a whole works out of gear. What is the reason?

"Sometimes it is one thing, sometimes another, but let us be perfectly candid: It is mostly the lure of the drink. They refuse to work full time, and when they return, their strength and efficiency are impaired by the way in which they have spent their leisure. Drink is doing us more damage in the war than all the German submarines put together."

He repeated his charge at a conference of the trade unions in the following month, and stated he was speaking on the authority of reports from the Admiralty and War Office. His indictment was confirmed even by the Transport Workers Federation, which stated that the diminished efficiency of the intemperate minority—"so interdependent is modern labor"—showed a marked influence upon the output of the total number of men engaged in any set of operations but, though admitting the charge, it went on to suggest one positive remedy —that while work was being done during the night in shipyards, docks and other places of production some provision should be made for necessary refreshment.

How the authorities dealt with the problem is an interesting chapter in war history. The problem presented some new features. There had been a great shift in the distribution of labor. Men left their homes and to some extent abandoned settled habits, gathering in bulk round the new munition factories, some of which were located in isolated places, some in and near the big towns. And these new aggregations of workingmen, cut off largely from the normal influences

of home life, earning good wages for the most part, but having scant leisure, and without much inclination after a hard day's work for active recreation, were naturally an easy prey for the public house. Excesses in drinking are a common reaction from overwork. Figures show a close relation between good earnings and drunkenness. A committee appointed to investigate health matters among munition workers reported in dealing with hours of labor that fatigue "meant temptation to men to use alcohol; they are too tired to eat, and seek a stimulant."

The committee insisted on facilities for workers to obtain a hot meal, especially at night; and a clear case was made out quite early in the investigation for the setting up of industrial canteens in docks, works and yards. Living as great masses of men were in hutments, crowded tenements and even tents near the works, the ordinary strain was intensified by loss of rest and absence of home care; and this led, of course, to still more drinking.

Such was the situation. In dealing with it the authorities undertook a policy of restriction; they curtailed the hours of sale, prohibited the sale of liquors above a specified strength, and sought to remove incentives to excess by establishing canteens for the sale of nonalcoholic refreshment, and by prohibiting treating and chalking up. Convivial drinking was shown to be the cause of nearly half the convictions in the police courts; and the practice of chalking up a score for the habitués of a "pub" and getting a settlement on pay day is one that makes a glass in hand worth two in the pay envelope. The control policy was embodied

in the Defense of the Realm Act, and gave large powers to a board to control the drink trade.

These powers were exercised in many ways; licensed houses and clubs were closed or their hours of business reduced, the sale and supply of particular kinds of liquor restricted and the importations of liquor into specified districts prohibited. The zones of restriction were gradually widened, because different hours of sale, for instance, in small contiguous districts had the effect of providing drinking men with facilities not foreseen by the liquor board. There were demands for the application of a common order to large districts.

At the close of 1915 half the population of Britain was under the board's orders, and at the end of 1917 roughly thirty-eight millions of Britain's total population of forty-one millions were enjoying the benefits of the control policy.

Hours of sale were reduced enormously. Before the war public houses were normally open for nearly twenty hours out of the twenty-four; the board reduced them to something like an average of five hours and a half—two hours and a half at midday and three hours in the evening, generally from six o'clock to nine. At the same time the alcoholic strength of liquor was reduced, especially in the case of spirits, and the sale of spirits over the week-ends was later prohibited. Unsuccessful attempts were made to ration drinks by fixing a maximum quantity, and there was also some effort to check drinking among the women. Carrying out a constructive policy the board established nearly a thousand industrial canteens—most of them in connection with the national munition factories and "con-

trolled establishments," a number in the shipyards and docks. In some four districts the board actually became public-house managers, acquiring by direct purchase breweries, licensed houses and "off" licenses; two of the four breweries thus acquired were closed, and about a third of the two hundred and odd licensed houses.

The whole question is now up for final settlement. What the ultimate solution will be no one can say, but this may be ventured as a safe prediction: There is too much at stake just now, in a convalescing world, if it be convalescing, for any needless complication, difficulty and obstacle to be tolerated, and from every point of view an unrestricted, profit-seeking liquor traffic along the lines of the good old days before the war is simply unthinkable.

There is not a more respected employer in all England than Mr. W. L. Hichens, whose various interests embrace a pay roll of thirty-five thousand employees. I asked him for his views as to the output question and how labor and management were going to meet it.

"As a large employer of labor I am more interested in questions affecting labor and capital than in anything else, save the winning of the war. The war has given us a new angle of vision in regard to many things. Before the war we lived in an age of individualism. Employers organized themselves into federations, work people organized themselves into trade unions, and both of these organizations existed for the purpose of seeking their own interests. Other classes of society followed suit, with the result that individual or class interests ranked first and the interests of the country as a whole took second place. Then came the

war, and straightway some three million men in this country were found to offer the supreme sacrifice of their lives, not for themselves or for a group but for their country. The clouds seemed to lift; our horizon extended; we realized that patriotism ranked above individualism and that the supreme good of the country could only be secured by self-sacrifice. Many of us even began to dream dreams and to picture to ourselves the wider form of patriotism after the war. And we woke up surprised to find how far away we had drifted from the old individualism of pre-war days."

"This widened outlook, I think, applies to the subject of production. Before the war how many men made it their ideal to try to put together a competence at the earliest possible moment in order that they might retire and live happily ever afterward? How many young men and women were there who thought it no shame to live a life of idleness if they could afford to do so? But the war again has changed all that. We realize now that there is an unlimited demand for everything that we can produce; it seems to me that if it is an essential thing for us to work as hard as we can in order to preserve our liberties it will also be a valuable thing if after the war we can realize that it is worth while then to work as hard as we can for the sake of the whole community.

"As I say, to-day there is an unlimited demand for everything we can produce. Now everybody knows that if we import from abroad we have got to pay in one of four ways: By means of selling our securities; or by exporting gold—but the supply of gold is small compared to our requirements; a third way is that we

can raise loans in the countries with which we wish to trade—that again is not an unlimited source of supply; the fourth and by far the most important way is that we can exchange the goods which we want to buy in other countries for goods exported from this country. And that, everybody will realize, is by far the most satisfactory way of achieving our object.

"Now there are ways in which more can be done. The first is by means of increased government organization. I do not personally think that a very great deal can be done in that way; for one thing because the sturdy independence of Englishmen, which is a very valuable quality and far superior to the unreasoning docility of the Germans, does not lend itself too much to government organization. Individual liberty has its price, but it is worth paying for. However, there are certain things government can do.

"But though in this way a good deal can be done, yet I believe that we have got for the most part to depend upon our own individual enterprise and effort. I feel convinced that the production of this country can be largely increased because I believe that it is still in us to make a much bigger effort than we have hitherto. Before the war the output per workingman in the United States was two and a half times as great as the output per workingman in this country. Of course statistics are always open to suspicion, and that figure is subject to considerable qualifications in particular, because in the United States you have far more labor-saving devices than we have in this country. The fault of that, I am free to confess, lies very largely with the employers at home, who have not taken the trouble, in a great many cases, to find out what the latest and

most efficient labor-saving devices were, because they felt that they could rely on a comparatively cheap labor supply.

"It may be surprising to say that even now some restriction of output should exist, but the reason is not really far to seek. The fact of the matter is that we have been unable in this respect to shake clear altogether of our pre-war ideas, and we have been unable to adopt the new angle of vision which we have adopted in other cases. Restriction of output, as everybody knows, is a weapon in the fight between labor and capital. There is no real object in restricting output in the hope that the employer will be deluded into the belief that it is impossible to produce an increased amount of work. Moreover, I think one can easily show that restriction of output is a bad plan anyhow, because it is only by increasing output that one can increase wages. After all, one can only pay wages out of production, and if production is reduced the obvious thing is that wages will in the long run have to be reduced too. Labor argues that it ought to have a larger part of the profit that now goes to capital. But the difficulty is that after allowing a reasonable margin of profit for capital the balance at the best of times would not go very far in improving the position of labor. It would not enable very much bigger wages to be paid than are paid to-day. The only way really to pay considerably higher wages is to increase substantially the production of the country.

"I think that if these points are clearly and dispassionately argued it will be difficult for labor to deny their justice and truth; but at the same time they will, I believe, carry very little conviction to the mind of

the workingman, because he will feel—and, in my opinion, quite rightly—that the statement is far too one-sided to be at all convincing to him. He will say: 'Our difficulty is that, supposing we are to increase production very considerably, what guaranty have we got that that increase will go to us and not all be appropriated by capital?' The real grievance that labor feels is that capital has in the past taken more than its fair share of the good things of this world, and I think if one looks at the matter broadly one must admit that there is a good deal of truth in this contention. One has to remember that this country is a democracy and that in a democracy it is necessary for all the members to get together for the problems that they have to decide. This is one of the biggest problems that calls for decision, and it is imperative that we should have mature thought jointly in order that we may come to a right conclusion."

There are hopeful signs a-plenty that British industry is getting ready for a large expansion, and that this expansion will not be of mechanical kind alone. The big production which every manufacturer is looking forward to will have in view the big fact that confidence between management and men is the only lasting foundation on which to get results. More output and more mutual confidence will go hand in hand. There is no question in any quarter that increased efficiency must come soon. It is under way right now. Both the volume and the quality of output are considerations in every program of the merchant and manufacturer.

To get this result industrial leaders are looking in the direction of improving the organization and its

personnel, of eliminating waste and friction, and most important of all, of giving enough attention to the problem of increasing the opportunities of coöperation between management and men. The best employers here appreciate the fact that raising the level of productive capacity is finally a question of improving the conditions under which the work is done and the spirit in which the parties concerned carry on under the same roof. There has been far too great a sacrifice during an eternity of the war period, and both this country and the world in general are too sorely in need of recuperation for much patience with the slacker—the moral slacker as well as the industrial slacker. And a moral slacker is a man who will not play the game according to the new rules and the new ideals of industrial team play.

While on a recent four-hundred-mile tour of the devastated country of Northern France and Belgium we were leaving Cambrai, a terrible skeleton of its former glory. Rain and mist softened the raw edges of its desolation. Houses telescoped, the roof of a big church covering a row of shattered buildings half a block away, trees lying across the brick piles which once were dwelling places—in this City of the Dead there stands one entire front of a building, the rest of it mingling its dust with the dust and rubbish of the town. On it are the letters: Chambre de Commerce. Round this ruin German prisoners were clearing a roadway, Chinese labor battalions were propping up the leaning party walls, and everywhere was the Tommy busily trying to do such tidying up as was possible.

A whole cityful of men, women and children, seat-

tered to the four winds, are anxiously awaiting word to return to the place they had once called home. And this Chamber of Commerce, once the heart of the town's business life, with the only intact front wall in its neighborhood, waits for goods to flow through again and bring occupation, self-support and self-respect to a stricken population.

Cambrai is only a symbol and a type of want, impoverishment and insufficiency. The spirit of the Tommy, cheerfully and silently at work in the thankless task of bringing order, safety and opportunity, meager enough, in these abominations of desolation, is the spirit in which the productive energies of the world must be put forth for years to come. The need is great. Cambrai differs from the unwrecked places of civilization only in the circumstance that what right-minded men have ahead of them in the way of effort and service is so painfully visible there.

CHAPTER III

SIDELIGHTS ON INDUSTRY IN GREAT BRITAIN

"THE business of handling a large force of men is no longer a mystery. It is something which can be put into words plain enough for the average man to understand. Keeping an organization going through power over other men takes far less brains than does the winning of their coöperation by appeal to their intelligence and their interest." A leader in British industry voices in these words an important change in the viewpoint of industrial executives. "I expect all my fellow employees, whatever may be their work, to help. I know that they can help improve our organization and our product. And they know that I appreciate such help. I want to see them grow in management skill and point of view. One way to do this is to open up opportunities for all to know the problems we have to meet day by day, and to take counsel with them. Our men see things which we cannot see. No man can be a judge in his own cause. If we tolerate this we have the formula that might is right, something that we have just defeated. We want an Anglo-Saxon, not a Prussian, ideal of industry and its management. That ideal is of service on the part of every man engaged in it—or we all move in a kind of living death. If there is no ideal of service we have to find out how far we are the cause of this failure. Men ordinarily give about the response we

look for in them. There is no reason for any failure to make employment a service if we try hard enough. But we must believe first that it is. A few years ago I was interested in a company started to trade on the Gold Coast. We decided to limit our profits to a reasonable figure, and to turn over the surplus for the benefit of the inhabitants of the country with which we were trading. There was no cant, no humbug or charity about it. We did not sell silk hats to the naked natives. We sought a fair trade, gave good value, and used the fund to supply real wants, such as medical care, for which there was no extra charge. It was our idea that the country had already paid us for this service through our trade."

Production of the goods for which a shaken world is waiting does not altogether depend on how much the man at the bench will extend himself, though more solid effort all round is needed; nor on how far workmen will collectively throw over practices which hold production back. They will do this, given certain assurances. Nor does it rest on the changes in plant and tools which the employer is introducing, though all those things will help and go a long way. It hangs on things that go deeper into essential human nature, and the wise man is he who takes careful account of those things. Management of men is just management of human nature, and this human nature after a long siege of war strain and of danger, alarms, and situations which have stirred the brain cells of the multitude is not quite the human nature that it was before the war. There can be no doubt that everywhere you sense a wish to settle down, a longing for quiet and for the ordinary routine of everyday life.

That settling down will not take place until certain difficulties are adjusted and a certain uneasiness appeased. Unless these things are done disaffection will be there to harass and disturb.

Some share for this unsettled state of mind which one glimpses in going up and down industrial centers can be traced to sharp resentment against the kind of supervision under which the men have been working. Not that this supervision has been always harsh or incapable—such an assertion would be unfair and exaggerated. In many instances there has been wisdom, understanding. But while employers have theorized and experimented the workers have been thinking hard on the whole management proposition, and they cherish certain strong convictions as to how they should be dealt with. These convictions are not always clearly stated; but the purpose is clear enough, even though the phrasing favored by the more aggressive would, if carried to its conclusion, undo all organization and tumble industry into a heap.

But, I repeat, the men have been busily brooding over notions of something better in shop relationship than they have had before, and as thoughts are facts it is worth while trying to understand what is behind their feeling about the conduct of the workshop and their part in it.

Having worked at full tilt throughout the war, and believing that they were sharing, as never before, with foremen, managers and employers in a common business directed to a common end—namely, that of winning the war—the workmen, take them as a whole, have developed in this war experience a new interest in the industrial organization of which they have been a part,

and a new sense of their relation to it. They are giving up, if they have not already abandoned, the idea that they are mere sojourners in their place of employment. All through the war they were told again and again—and they were disposed to believe it—that in their hands lay victory or disaster; that they were needed just where they were; that they were the heart and the solar plexus of the organization; and that nothing could excuse any slacking or shifting about—in short, that they belonged very much right where they found themselves.

Every effort was made to steady the working force. For a time men were not allowed to flit from job to job. Pressure of all sorts was used to hold them to their work. And when the pressure—that of the war regulations especially—was relaxed, public opinion and shop opinion against the floater and the job hobo came in to help. So the number of job changes was kept down. Every man was expected to do his duty, and if he was a workman exempt from military service there was an additional reason to stand by. And the men stood by; and the longer they stayed the more they made comparisons, both mental and vocal, of the personnel that gave them orders and instructions and had the say over their comings and goings.

Every plant on war work and very many others have been under a most lively public scrutiny. Everybody seemed to know all about their inner workings. Whatever may have been the privacy they once enjoyed, the strictly internal affairs—the domestic gossip, as it were—of every great establishment became common property. Eating places, the canteens, the pubs, the smoking coaches—all became daily centers of exchange

and quotation in rating of managerial idols—or the contrary, as the case may have been, and often was. And out of these informal and universal juries certain notions as regards management and the man power under its ordering came into view, as I have already intimated, and though of low visibility at first it yet was of sufficient significance to furnish the abler among employers with food for thought.

This is the lesson that struck home the hardest: That the chain of management is never any stronger than its weakest foreman link. By foreman I mean any of the variety of in-between officials of the plant—overseer, boss, leading man or whatever the local designation may be—for the man who comes directly in contact with the men, stands in their eyes for management as a whole, and rules their shop life and duties. This foreman, unfortunately for industry, appears in the drama as more or less of a pocketed, sidetracked individual, though his part is that of intermediary between the man at the top and the rank and file. He was neither expected nor encouraged to broaden his own industrial outlook. He had been put into a niche and was left there so long as he didn't give any trouble and delivered the output according to schedule. Conferences there were aplenty, but he was not among those present; executives met to shape up far-reaching policies, but he never sat in. As of the poor, short and simple annals only were expected of him.

The only trouble with this proposition is that the situation does not lend itself to any such simplicity. There is not a man on the whole industrial general staff who influences as much the temper, tone and smooth working of an industry as does this same unconsidered

foreman person. He deals with human nature every minute, and that same human nature deals with him about as frequently, and the action and reaction of these forces, to use laboratory lingo, is a subject suitable for minds well above the freshman grade. To sidetrack this foreman then—that is, to fail to help him grow in insight—is to choke up a vital channel of communication between management and men.

The folly of it has come home to those abler employers before mentioned. They are getting at least a glimpse of their men's real attitude and intention. Their enlightenment is not sudden. It has been going on for years, the war merely accelerating the process. Many men of affairs having the interest or desire could find out the best that was being done or thought anywhere. They could read or travel and talk with any man whose industrial opinions they cared for. Without much trouble they could give themselves as wide a knowledge of industrial questions as they pleased. There is nothing disparaging in pointing out that the business executive to-day is, on the whole, decades in advance of his immediate predecessors as regards industrial insight. And there is coming up a new generation of industrial leaders in Britain, bred in a sympathy with democracy, which promises much for the future of industry and for right relations among those who share its burden.

One of the first improvements concerns that yawning mental gap between the man who has the power to give orders and those who take them. The building up of an enlightened foremanship is one of the big and as yet mainly untackled jobs of management. That here and there good beginnings have been made only

strengthens the sense of need. As clear and decisive is the need, if management is to win the respect of the managed, for finer tools than have thus far been used. The man power that is enlisted for the world's reconstruction will have to be dealt with in terms that suggest an understanding of its hopes and sense of values.[1] To grasp this is to have the secret of successful management in the days to come.

At the other end the masses, the rank and file, the working forces—however we choose to put it—have also been undergoing a mental overhauling. The extent of it is even yet hardly realized by the man who leaves his office after the day's work, sees the men flow through the gates, and then proceeds to his home or club, where he meets those who think as he does, have about the same kind of information as to what is going on, and where he never gets a glimmer of a life which takes on fresh vigor and fervor after the factory windows are darkened.

To get an idea of what is really happening to the workingman one must go to the sources of his inspiration—to his meetings and gathering places, to the evening school, the public school, the free lectures, read the press and the literature of the crowded quarters, and browse among their dingy bookstalls and pushcarts laden with the solidest reading matter outside of the specialists' reference shelves. And these are only a few of the stimulants of the modern workman. Intelligent executives are aware of these stirrings and are not unsympathetic with them. They are, in fact, earnestly trying to square their own ideas of handling the work-

[1] See page 287. The Labor Party's Statement on the Labor Problems after the War.

force with this new self-respect of their employees. The motive that prompts them is not wholly selfish. They welcome the coming of an organization in which the lowliest member may feel that he has something to chip in of suggestion, criticism and idealism.

Industrial unrest in Britain can no longer be accounted for by dissatisfaction with wage rates or hours of labor, as in the early days of trade-union agitation. There was a time, not long past, when it was possible to ask in regard to a particular dispute "How much do they want this time?" An increase of a penny an hour or a couple of shillings a week represented generally the extent of the demands. Sometimes the men resented bad factory conditions or objected to the manners or lack of manners of their foremen, and ceased work in protest; sometimes they wanted a shorter working day, less overtime, a rearrangement of rest days, and the like; but broadly it may be said that until a few years ago the workers as a class were not much in revolt against any system as such or acutely conscious of there being anything wrong with their place in industry. Within a short period, however, a marked change has taken place in attitude. A new note of criticism crept into their propaganda, denying the claim that industry was already well managed and could not be improved. Among large sections of the workers, especially among the younger men, a new temper has appeared.

Their ideas are easy to dismiss with a contemptuous shrug as half-baked notions of the imperfectly educated. Imperfectly educated, indeed, the younger workingmen may be, and victims of phrases; but these men are tenacious; one creed is expounded by the en-

ergetic men of the guild movement and the shop-steward movement, which declares that the worker is no longer a mere cog in the industrial machine. It infuriates the worker to be described as a "hand"; he repudiates the notion that he ought to be content with a slow amelioration of his lot. Much of his dislike of the welfare schemes put forward by employers, his contempt of profit-sharing arrangements, still more his suspicion of "scientific management" cannot be explained except by reference to his stubborn suspicion that his claim to be treated as a human being is subtly being circumvented. It is less and less possible to humor him. What he wants is to be treated as an equal. One has only to come into contact with these groups of which I speak to realize that increases in wages, shorter working hours, welfare schemes, pensions and even a share of the profits, though desirable in themselves, do not go far enough. The active spirits among the rank and file are bent upon raising the status of their class.

The amount of quiet but effective education going on among the workmen of these isles is barely appreciated by the public at large. Ask the man on the street what he knows about the Workers' Educational Association and he will probably tell you that he has never heard of it; or, if he has, the chances are that he harbors a misty notion of its being some academic sort of thing. Nothing could be farther from the truth. This association and other like activities among the men have in view the big, long-headed purpose of fitting the British worker for a large place and responsibility in the conduct of industry. The rank and file are taking in hand the job of improving the man-power

quality of the country, doing this in the strong conviction that only as they fit themselves can they hope to get and keep a bigger rôle in the management of industry. Oxford University has been in this undertaking a noteworthy assistance and inspiration. Some of the brightest and ablest graduates of this and, indeed, of other universities, too, have been leaders and teachers in this work.

What is the Workers' Educational Association, or the W. E. A., as it is better known? Founded in 1903 by a group of trade union and coöperative society members the W. E. A. now comprises nearly three thousand organizations, such as trades councils, coöperative education committees, workingmen's clubs and teachers' associations. Its local branches cover the industrial centers of England, Scotland, Wales, Ireland, Australia, New Zealand, Canada and South Africa. Support for this work flows from a large number of small contributions and from government grants. Workmen enroll for as much as a three years' course, and keep up a good attendance. In the summer school for workingmen at Oxford you will find a roomful of men —potters, plumbers, carpenters, miners and machinists—wrestling over economic questions with professors of world-wide fame.

Prof. Gilbert Murray, the famous Greek scholar, tells this incident:

"There was a close friend of mine, once my secretary, who gave up that post to become a W. E. A. teacher. In this new work he had a very small salary, and hard work. He had offers at higher salaries, but he refused them all for this teaching of workingmen. When the war came he enlisted, and after he had re-

ceived a commission he found himself commanding some of those North Country miners who before the war used to form his classes in history and political science. When he was mortally wounded some of his men almost gave up their own lives in a long and brave effort to save him. One of these men later received the Victoria Cross for his effort to save his teacher commander."

Ruskin College, at Oxford, was founded to bring workingmen under university influence, and among other activities it has been carrying on correspondence courses for the men who could not become residents. The Central Labor College is a rebel offshoot of this institution, and operates through the Plebs League. This college is supported by the National Union of Railwaymen and the South Wales Miners' Federation. The state of the mind of the Plebs League is sufficiently indicated by its motto: "I can promise to be candid but not impartial." A monthly, the "Plebs Magazine," was issued until suppressed by the government, it is generally believed for its revolutionary activities during the war. The Commission on Industrial Unrest found that the propaganda of the Central Labor College was one of the chief sources of trouble in South Wales coal district. In March, 1917, the commission states, nineteen classes were being conducted in South Wales, with some five hundred men in attendance. But the influence of the work could not be measured by the small membership of these classes. This influence is, as the committee points out, "deliberate of purpose," and forms a leaven which can on occasion ferment considerably.

How many men if they were asked what was the

greatest business enterprise in the British Empire—greatest in volume of trade combined with the largest number of shareholders—could answer offhand "The coöperative movement"? Here is one of the giant enterprises of the present day. It is the biggest school of business on earth, providing workmen with experience in business management such as nothing else gives; it is the recruiting and training station for industrial leaders to a degree which warrants my giving more than passing mention to the workings of the coöperative movement.

In origin the movement dates back to the days of Robert Owen and the Rochdale Pioneers—the first cooperative store being that founded at Rochdale in Lancashire by the now historic twenty-eight poor weavers, who in December, 1844, opened the Auld Weyvurs' Shop, in Toad Lane, as a grocery store. This shop at first was open only on Saturday and Monday evenings; one member acting as salesman, another as secretary, a third as cashier to a trade of about ten dollars a week, while a fourth was custodian of the capital, amounting to less than one hundred and fifty dollars, gathered by dint of hard saving. To-day the coöperative stores are the recognized medium of supply for the household necessities of not much less than half the industrial population of Great Britain.

The device that made the Rochdale Pioneers the type of all time and established the movement was the division of "profits" or surplus on the purchases of all the customers.

From the humble beginnings of twenty-eight members the movement has grown, until to-day the United

Kingdom includes fifteen hundred societies with an aggregate membership of three and a half million shareholders. Its annual trade is now no less than one billion dollars; its capital in shares, loans and deposits amounts to three hundred and forty millions; its reserve fund equals four hundred millions, with a "profit" or surplus of one hundred millions a year. The value of its land, buildings and stock is one hundred millions, and it has at least fifty millions invested in house-building schemes for its members. The persons employed directly in the movement number one hundred and sixty thousand, and the annual wages bill is sixty millions. More than six hundred thousand dollars annually is set aside for purposes of education, propaganda and recreation; a similiar sum being devoted to charitable purposes.

When it is remembered that the whole of this colossal undertaking is managed by workingmen, such as colliers, engineers, weavers, spinners and carpenters, who give their scant leisure without any fee or reward, and travel up and down the land in the interest of this movement for bare expenses, we realize at once that something almost religiously deep and strong must be acting on the minds of this great army.

J. S. May, the general secretary of the International Coöperative Alliance, told me: "One of the fundamental principles of the movement is that it shall have no dealings with the liquor traffic. In spite of the grocers' licenses this principle is rigidly adhered to, and so far from weakening on the question as the movement develops the tendency is, for example, in acquiring land either for business purposes or the

many housing schemes of the societies, to extinguish existing licenses, and certainly to prevent them from operating on coöperative soil.

"Of course the great contribution which the movement has made to the well-being of the people lies in facilities for thrift. In the first place, the system of cash payments for all goods has worked a revolution in the habits of the people once compromised by the system of 'truck' which many employers set up in their factories. Robert Owen made the first practical experiment to combat this evil at his works at New Lanark in the early days of the nineteenth century by establishing a cost-price store for the use of his workpeople. Their wages were paid in the full instead of being set off against their score at the shop of the master and they were at liberty to spend their wages at the store which Owen had provided or to go elsewhere. Such a scheme was then considered quixotic in the extreme, but the modern coöperative movement has done much to secure the passing of the Truck Acts which abolished the whole bad system.

"The plan of building up share capital by small payments of six cents and upward, together with the later rule that dividends on purchases should be capitalized up to the amount of the minimum shareholding, made the thrift of the members nearly automatic. Many a family to-day realizes to the full the truth of the saying that 'an Englishman's house is his castle' simply as the result of the saving thus practised. They have literally eaten themselves into their own house and home.

"The boards or committees of management consist solely of working men and women, who are elected and

usually serve for one year. Their services are gratuitous except in the case of the coöperative wholesale societies, where they are required to give their whole time to the work, and are therefore paid salaries, the highest of which is under twenty-five hundred dollars a year.

"After the committees of management come the business managers and secretaries. The training of such men has been a fairly long and varied process, which will best be illustrated by one or two examples. Alexander McLeod, the late general manager and secretary of the Woolwich Society, was a working machinist in the Royal Arsenal over fifty years ago. He and his shopmates decided to establish a coöperative society in Woolwich. They began in a small back room in a side street near the entrance to the factory, and announced in the workshop that they would attend on certain evenings in the week to distribute the chest of tea purchased by the aid of the combined contributions of their shopmates. Eventually a shop was taken in the town and the society grew until to-day it numbers over fifty thousand members and its trade approximates to one half million sterling a year. It is the largest and most successful society near London.

"In more recent times the movement has been compelled, by reason of its rapid increase and the dearth of men acquainted with the peculiarities of coöperative trade, to train its own managers. Generally speaking, this is practicable because each society is autonomous, and begins in small ways. There is little difficulty in obtaining from an existing society a man trained in the methods of buying and selling who is capable of controlling operations at the start of a new

society, especially when assured of the assistance and advice which the central federations of our societies place at his disposal in the matter of purchasing, stocks, accountancy, and so on. As the society grows and spreads into branches salesmen who show business aptitude and initiative are selected to take charge of the branch shops. Here begins a very important part of the training.

"When the history of the great war comes to be written in all its fullness the world will be amazed to learn what a great part the coöperative organization and the influence of its ideals have played in securing the best interests of the nations affected by the war. I refer directly to the influence and work of the associations of workingmen and women. Whether you look to Britain or France or Russia, or even among the Central Powers of Europe arrayed against the forces of democracy and liberty, the result is the same. Every government has been faced with the necessity of providing for the needs of its civil population out of a depleted larder and a world shortage of foodstuffs and other necessaries of life.

"The stocks available to the civil population were still further reduced by the necessity of insuring to the army at the Front a full supply of the best that the world afforded. Faced with the necessity of distributing supplies on the basis of the miracle of the loaves and fishes; confronted also with the possibility —if they failed to secure something like equitable distribution—of discontent and anarchy at home, the governments of Europe separately but as if with one consent adopted a national form of coöperation. We are far from saying that their application of coöperative

methods was complete or even scientifically applied. The governments had commandeered stocks, fixed prices and directed the channels through which goods should pass to the consumers. The coöperative societies were not only practically immune from all the severities of control, except the difficulty in obtaining supplies, but their experience and practice had been the touchstone of government prices and the consumers' needs during the war. Again, it must not be assumed that the prices which have been fixed by the Ministry of Food have been the lowest at which cooperators could conduct their business."

In any large town, particularly in the north of England, you cannot walk for ten minutes through any industrial neighborhood without coming on two or three branches of the coöperative store that serves it. If they are merely local branches they will look like any ordinary shop. If you happen to strike the central store you will find it housed in an imposing block of buildings not much different from the department store in the United States.

The main feature of the coöperative store is that it exists not for the general public but for its registered customers, and as a rule no one but the registered customer gets a cent of profit out of the concern. That does not mean that the ordinary housewife cannot buy at a coöperative store. She can. You can go into a store yourself and buy a pair of shoes or a soft hat or a loaf of bread or a leg of mutton or a stone of potatoes or a ton of coal, and pay for them at the market price. The store has no objection to selling to you, but if you want to reap the advantages that give the coöperative movement its reason for existence you

must become a member and get an official number. That is a very simple matter. All that is necessary is to invest anything, from five dollars to a thousand, in the store. Five per cent is paid on the money and at the same time you become entitled to a share in the profits of the business, in proportion not to your holding of stock but to the volume of your purchases over the counter.

Every time the mechanic's wife goes to the store for her week's groceries or her bread or her fuel or her pots and pans she gives her number at the pay desk and receives in return a check with the amount of her purchase marked on it. At the end of every quarter the store's books are balanced, and all the profits, after payment of rent, wages, management expenses and the fixed dividend on capital, are divided among the member-purchasers in proportion to the totals of their accounts with the store for the period.

There is one exception to that: In addition to the payment to purchasers there is often a small bonus given to employees. The principle involved in that is important, but the actual benefit to the employees is small, as is shown by the fact that in 1916 the 1484 retail coöperative stores in Great Britain paid out nearly sixty million dollars in profits divided among purchasers, and only about three hundred and seventy thousand dollars in bonus to employees. The rate at which members get repayment varies in different societies and at different periods from perhaps four per cent to twelve and a half per cent of what they have spent in the preceding three months. That amount they can either draw in cash or reinvest in the store at five or six per cent interest.

That is a bare outline of the general principles on which the coöperative movement is based, but it gives no adequate impression of the hold the movement has established on the industrial communities in Great Britain. To get that you need to go and explore for yourself the possibilities of a particular store. Take as a fair example the society—the full title of every retail store is "Industrial Coöperative Society, Ltd." —at Plymouth, one of the largest and most prosperous in the south of England. The locality served by the society contains a population of 250,000 people, and of these it is claimed that 180,000 draw the greater part of their commodities from the central store or its branches. The actual membership of the store is more than 30,000, but most of these are buying not for a single person but for a family, so that the number squares well enough with the 180,000 given above. Each member has five dollars or more—often a good deal more—invested in the business. The members are at once the customers and capitalists. The concern belongs to them. They finance it and they buy from it, and at the end of every quarter they get back a substantial dividend based on the amount of their purchases.

A coöperative society of this type throws its net wide. At the central store, with its restaurant, its library and its lecture hall, you can buy anything man, woman or child can need, from a pint of milk to a ton of coal. But in volume of business the central store probably does a good deal less than the total of its branches. They are scattered throughout the town and in a number of surrounding villages, while in other villages, where there is no actual store, a motor-truck

service from Plymouth connects the consumer direct on two or three days a week with the central establishment. The branch store may stock every kind of goods or it may deal in one particular line, such as milk or bread or meat or vegetables. In the recent shortage of labor and transport a scheme was devised to reduce the deliveries of milk by setting up milk depots all over the town, at which consumers could call for what they needed, without going more than a few hundred yards from their doors.

Though the most striking feature of the coöperative movement is the pecuniary advantage it gives to its members it has purposes other than merely financial. Most societies before paying out the quarterly dividend deduct an assessment, usually of five per cent, for educational purposes. Out of that they pay instructors, run evening classes, and arrange excellent lectures, either free or at a nominal admission fee. The Plymouth Society has gone much further. A few years ago a large estate on the seacoast about ten miles from the town came into the market. The coöperative society bid for it and got it. It included some nine or ten farms, which are being developed to supply the society with milk and poultry and meat and vegetables; and also two or three excellent houses with well laid-out grounds. Two of these, placed in beautiful surroundings, have been fitted up as guest houses, at which members of the society—the great majority of them, it must be remembered, mechanics—can spend a week or a week-end or a fortnight at rates representing a bare margin above operating costs. From time to time lecture schools are arranged here, three days or a

week being devoted to the study of economic or social or literary subjects.

The guest houses happen to lie off the lines of railway, and in order that they may be put to the fullest uses the management of the society, having little use through the summer months for its motor coal carts, fits them out as *chars-à-bancs* and runs half-day trips out from Plymouth to the house on the coast, carrying its members ten miles out and ten miles back, giving them tea and charging them twenty-five cents for the service.

Here is a typical program of these conferences:

First Week: Saturday, August 4, to Friday, August 10.
8:45 A. M. to 10:30 A. M. Morning Lectures, followed by discussion. Subject of course for week: The Future of British Co-operation.
6:45 P. M. to 8:00 P. M., Evening Classes.
Class Subjects: Class A: The Report of the Coöperative Survey Committee.
Class B: The Coöperative Control of Raw Materials.
Class C: Coöperative Finance.

MORNING LECTURES

Monday

Daily Subject—The Lessons of the Past and Their Indication of Future Possibilities.
Class A. Daily Subject—Retail and Wholesale Distribution.
Class B. Daily Subject—The Necessity for Coöperative Control.
Class C. Daily Subject—Powers and Limitations of Societies in Raising Capital.

Tuesday

Daily Subject—The Future in Home Markets.
Class A. Daily Subject—Coöperative Production.
Class B. Daily Subject—Requirements essential to a Coöperative Control.
Class C. Daily Subject—Present-Day Resources and Their Increase.

The coöperative wholesale society is a remarkable organization. It is a vast productive concern which supplies practically no one but the retail stores affiliated with it. The relation of the retail store to the wholesale society is exactly that of the individual consumer to the retail store. Every store becomes a member of the wholesale society, investing capital in it, buying from it, and receiving back periodically its share of the wholesale society's profits in the form of a dividend on what is has purchased. This dividend, of course, explains why the retail societies' stores are filled with the products of the wholesale society instead of those of private manufacturers. On that basis the coöperative wholesale society has built up one of the largest trading concerns in the United Kingdom. Its turnover in 1917, the last year for which official figures are published, exceeded two hundred and seventy million dollars—and the volume of trade is steadily increasing. It owns tea plantations and coal mines, wharves and granaries and steamers, flour mills and shoe and clothing factories, foundries and farms—every kind of plant, in short, needed to supply, through the medium of the distribution stores, the wants of a clientèle amounting to some twelve to fifteen million people.

A movement as vast as this has become could not entirely escape the strictures of even sympathetic critics. One of its foundation principles is to "conciliate the conflicting interests of the capitalists, the worker and the purchaser, through the equitable division among them of the fund commonly known as profit." That is an admirable ideal; and so far as the capitalist and the purchaser are concerned it is completely real-

ized, for under the coöperative system the capitalist and the purchaser are one. Where the scheme fails to fulfil early hopes is in regard to its own employees. In the distributive societies, as has been said, the employees often share to a small extent in the quarterly dividend. But in the case of the wholesale society, which is an employer on a very large scale, the relation between the management and the workers is not very different from that which we find between ordinary employers and their operatives. The wages are not materially higher, and except in a few special cases the workers have no more control over industry than they would have if employed by a private manufacturer. As a consequence industrial disputes are of periodic occurrence, and strikes, which ought to be unknown under a true coöperative system, have by no means been eradicated. The truth appears to be that though the movement has put the relation between capital and consumer on a new and satisfactory footing it has not come near solving the problem of the relation between capital and labor.

But if that is true of the movement as a whole there are a number of special instances in which suggestive experiments in the way of true coöperative production are in progress. These take the form of associations of workers combining for their own benefit, and for the most part with their own capital, to set up a factory where they can work under conditions laid down by themselves, disposing of their goods through the ordinary channels of trade or through some coöperative society which is glad to enter into trade relations with a concern animated so largely by its own motives. One of the most interesting of such enterprises, the

Walsall Locks and Cart Gear, Ltd., which has been in existence for some forty-five years, does an extensive export trade, having thus, of course, to face on even terms the competition of the ordinary private manufacturer. The management committee consists wholly of employees and is appointed by the shareholders, most of the latter being employees also. The workers, therefore, are completely self-managed. The wages paid are said to be the best in the trade, and the employees get in addition, from the annual profits, a bonus equaling five to ten per cent on their yearly wage.

Other like organizations could be mentioned. There is, for example, a well-known printing business, the Garden City Press, at Letchworth. There are clothing factories at Kettering, Wellingborough and elsewhere; some fifteen boot and shoe factories in different localities; and a number of other isolated businesses based on the same principle of self-government and equal division of profits.

The progress of these self-managed productive societies well deserves attention, for the principle they embody would appear to supply one answer to the growing demand of every class of worker for a larger share in management. Yet the fact remains that the self-management movement is making little headway except in the case of agriculture. Agriculture, however, cannot quite fairly be compared with the instances that have been quoted, because in those cases the point in question was a combination between employees, while in this case it is a combination between a number of independent farmers. None the less, the movement now in progress is of great significance. Following the ex-

ample of Ireland, where the Irish Agricultural Organization Society, under the wise and stimulating guidance of Sir Horace Plunkett, has lifted the whole farming industry of the country into prosperity, farmers' co-operative societies fostered by a central agricultural organization society are springing up all over England. For the most part these are connected with the dairying side of agriculture, the farmers of a given locality combining to establish a central factory or depot to which they send their milk each day to be cooled and Pasteurized and despatched to the town or made into cream or butter on the premises. The factory is controlled by the farmers themselves through a manager appointed by them in their capacity of shareholders. The movement is growing rapidly and will certainly increase in scope as well as in the territory it covers. Coöperative buying of seeds, fertilizers and equipment is being added to coöperative selling, and in connection with the Central Agricultural Organization Society an Agricultural Wholesale Society has just been founded to undertake the manufacture of machinery for the co-operative factories and the individual farmers who own them.

The coöperative movement in Great Britain in its different forms has secured a place in the economic life of the country which goes entirely unobserved by the average business man. But it should be observed that the movement has established a hold only on the industrial population. That hold it has immensely strengthened during the war, for at a time when the cry of profiteering was rife the coöperative-society member knew himself to be absolutely secure, since every penny of extra profit his store might make would come back

into his own pocket and those of his fellow members at the end of every quarter. One sign of the importance of the coöperative movement is the fact that it is at present discussing the starting of a national daily paper, while it has come for the first time into the political field, having run ten candidates at the recent general election on a special coöperative ticket. Few great movements in Great Britain are less understood or better worth understanding, and none is having a more marked influence on the man-power situation.

What the success of the coöperative movement teaches is just this: The way to bigger industrial opportunity and satisfaction is along the line of preparation, effort and staying power. That the man power of the country can fill a bigger place than it has done up to now is proved by its capacity to swing one of the greatest businesses in the world. Men who care intelligently enough to be willing to pay the price may go as far in industrial leadership and management as they choose. But the price is always preparation. No industry can be run on the basis of a debating club. It is sure to dry up while the resolutions are on the table. Management is an affair of brains and not emotions. Its technic has to be won patiently. Though no mystery—as I have pointed out in the opening quotation—the business of operating a going concern is no sport for the amateur. Mr. Sidney Webb has said many harsh things of industry as it has been carried on, but nobody has put the matter of management in clearer words:

"Under any social order, from now to Utopia, management is indispensable and all-enduring. The more that men become capable of coöperation in enterprise of

larger and larger scope, and of greater and greater complexity, the more indispensable becomes the manager to any high degree of efficiency of human effort."

British employers are now frankly facing the broadening of the foundation for management. They can no longer hold a narrow view of the foreman's or the manager's place as they come to perceive that if the basis of shop administration is broadened much benefit for industry will result. The times are much too critical for old prejudices or traditions to be allowed to defeat the coming together of the forces that keep the wheels of industry turning. Where beginnings have been made in widening the opportunity for teamwork in management the results have given satisfaction.

Observe, too, that the man power of industry is in itself a resource in management. To see and use it as such is the beginning of industrial wisdom. Both consciously and by indirection the coöperative movement takes this proposition for granted.

A factory in the north of England employing two thousand mechanics has been for two years intrusting to a committee of its employees all matters of shop discipline, investigation of grievances, and reports on conditions which needed the attention of the management. The chairman of this committee has written to tell me of his work.

"Our first aim was," he writes, "to prevent friction wherever possible between man and man, or between the employees and the management. Looking back over the past two years of my own experiences I am amazed when I consider the number of complaints that were laid before our committee for investigation. The

majority were of bogus character. Through lack of knowledge men thought they had a legitimate grievance against the foreman or the management, and when we carefully inquired into the complaints we very often discovered it was only a delusion. We should never accept any statement or grievance as gospel truth. By this method you do not discredit yourself or the committee by putting up a bad case to the management.

"Also you reduce the friction to a minimum, because you wipe out a fancied grievance. When we decide that an employee is not justified in his complaint it has more effect with the men in the shop than a decision of the foreman, because the committee is the counsel set up to represent the interest of the men.

"On the committee we do not want talking machines. We want the best men in the shop with the greatest amount of common sense. It is vitally important to encourage the best men to be elected, and make the position a post of honor. The works management should recognize this committee. After careful inquiry into cases, individual or departmental, they decide on what cases go before the management—which acts without delay—and discuss pros and cons. If there is a really good case, and the management is wishful to be fair and just, there can be no doubt of the result."

There is a dynamo-manufacturing plant in Bradford employing more than four thousand men, which has developed its works and shop committee system to an extraordinary degree. Team spirit has been a slogan with the capable men who direct this successful establishment; the general manager of the works is a good type of the new executive who sees in the work-

ing force an overlooked asset in the proper direction of industry.

"I suppose that in every country," he said in outlining the plant policy, "there are a certain number of the community who love a bogy.

"Now that the war is over and the bogy of German domination, which has certainly been a pretty substantial one, has disappeared, the latest bogy is that of not ordinary industrial unrest but blood-red revolution. This revolution apparently is to come because labor, born with a greater share of original sin than the shareholding classes, has now been rendered, by government pampering and a totally unnecessary education, quite impossible. This represents with tolerable accuracy the view of some of my class.

"While it is ridiculous to take the views expressed above about the future industrial situation it is equally ridiculous to under-estimate the complex nature of the problem which confronts British industry at the moment. British labor is not Bolshevik; British labor is not even republican; but it is sane and it is progressive. You cannot expect a workman to be a semigenius in your interest and a fool in his own.

"The war has merely accelerated the labor policy, it has not increased the claims of labor. Labor is out for a new 'orientation'; it is claiming 'a place in the sun.'

"Industry is like a panorama changing all the time even while the actors are moving, and this is what so many people overlook. Some of them have not noticed that since their grandfather built the business the whole scenery has changed from the early-Victorian

background on which the structure was originally built up.

"Now I come to my first point: The mid-Victorian owner of the business negotiated with his men himself; he knew them mostly by name and he knew the ramifications of his business; and what is more important still, he did his own work in labor difficulties; he did not leave it to the foreman. Almost without exception British concerns leave the foreman to do the impossible work. The boss gives away the concessions and when he has not anything to concede the foreman is deputed to tell them so, consequently the foreman's popularity is not at all good.

"During the war munition tribunals were set up in each town. We proposed to our men that they should be their own tribunal. Later we decided to go still farther and suggested choosing a chairman of their own, to handle the decisions of this body on workmen who by misdemeanor had brought themselves under the Munitions of War Act and should rightly have gone down to the government tribunal. All fines were given to charitable funds. No one was bound to come to our tribunal unless he liked, but could go to the one in the town; and a Gilbertian situation was created by the central tribunal's asking us what sentence we had given for a particular offense, so that they could give the same."

Industry is at bottom a problem in man power. That problem is big enough to call for every ounce of intelligence and force latent and active not only in the managing staff but in the anonymous rank and file. How to pool for the good of industry, and of those who

work in it, all that scattered, sometimes discordant, and generally too little used human power is the big problem before those who are looking ahead.

British industry stands to gain a new vitality and promise so far as it bases its scheme of management on a respect for what the everyday worker has it in him to contribute. A new foremanship is coming into play. Managers and men are learning to speak a common language and to think in terms of purposes that neither can misuse without general injury.

CHAPTER IV

CONTROL OF THE JOB

"WHAT will British industry look like, now that the war is over? Does the war mean a slump in British initiative?" You hear questions like this wherever you go, and wherever British business men or manufacturers foregather. What they have in mind is not the volume of their future trade.

Trade will no doubt be good, given the tonnage. American competition is something to think about, but it is n't that which gives much concern just at present.

Reconstruction is what men are thinking of, and by this they mean the kind of team play and sense of common interest that may or may not obtain in the relation of employer and employed, and in the task of restoring the economic life of the nation to a sound peace footing. Industrial policy is the topic of chief interest. An early understanding of what it is to be is urgently sought. Whatever else may be put off, an agreement on this question and policy cannot.

And it is not to Parliament or any other public body that men are looking for a solution. The answer, all agree, lies with industry itself, with each trade and business embraced under this general head. In the hands of the men who carry on the industrial life of the country—owners, managers and the rank and file—rests the fate finally of any industrial policy adopted. If they reach a working basis for the forwarding of

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their common business, with due regard for interests other than their own, all will be well. If they do not, reconstruction will halt and stagger, and well-being, prosperity, opportunity—call it what you please—will take wing.

In these circumstances the wrecker alone has his innings; his ax is ready to hand. There is no occasion for any panic of course. For all the strain of four years' nightmare neither workmen nor managers show any signs of having lost their heads. Quite the other way; they are amazingly sound in their headwork, and their zeal is far from winded.

The spirit and the unshaken common sense of the nation were expressed exactly the other day by the Minister of Labor, who in a talk on this very topic of new industrial policy told a group of manufacturers and labor representatives:

"It is your duty to see to it that we go about this business in a sane and British way. Our people are not easily lured away by the fanaticism whose dreary and blood-stained doings have so often led simple men to disaster and disillusionment, as in the case of unhappy Russia. We must find something firm—to guide us against corrupting doctrines. Our new problems are much more intricate and difficult than were those we had to face during the war. No state department can do things so well as those who are engaged in a particular trade can do for themselves. I am supposed to be a bureaucrat, being a minister of the Crown. I realize the limitations of office. Greater efficiency lies with those employers and employed who work out together the problems of their common business. There must be good, all-round organization in

every trade. We need a representative industrial council in every business, which can speak with an authoritative voice for the whole industry. The government will refer to such councils for the purpose of guidance.

"The keystone of our country's industrial future is in the getting together of employer and employee. For the period we have ahead we need the most active and the closest coöperation between them. We have recommended to both sides the scheme of the Whitley report, which scheme is now in successful operation in a number of industries. We do not ask you to swallow this plan or use it if you have something as good or better which does the work in your own particular trade. Only we point out the need of some such basic principle and organization for every industry; a body which can speak for it in a representative way. Such a plan is typically British. It does not make for revolution. Ready-made Utopia is the will-o'-the-wisp which has lured men in all ages. We possess intelligence enough to distinguish what is possible and practicable from the glamour of magic vistas."

So industrial Britain is going in for a tryout, a fair experimenting with the suggestions and the proposals outlined in the famous Whitley reports.[1] The campaign has been sufficiently promising to wring this acknowledgment from the "Munchner Neueste Nachrichten:" "The attempts made by the English to reform industry deserve consideration by us also, since in the great struggle after the war that nation will certainly come off best which carries over unimpaired from the

[1] See page 297. Industrial Reports No. 1, 2 and 3.

war period into peace the ideal of work for the common good, and which takes due account, not only in politics but in the organization of industry, of the self-consciousness of the people which has grown so immensely during the war. Without losing sight of our own special circumstances we have every reason to follow with the greatest attention the development of the situation in England."

"Whitley" has become a sort of slogan in the British industrial world to-day. The Right Honorable J. H. Whitley, deputy speaker of the House of Commons, is a member of a large firm of Yorkshire cotton spinners. In 1916 the Cabinet Reconstruction Committee set up by Mr. Asquith appointed him chairman of a special committee charged with going into the whole question of the future relations between employer and employed. This committee was made up of twelve members, and included trade-union officials like J. R. Clynes, who later became Food Controller; economists like J. A. Hobson and Prof. S. J. Chapman; employers like Sir Gilbert Claughton, general manager of the London and North Western Railway; two women, and other well-known specialists. The appointment of this committee was most opportune, and it was obviously necessary. Considering the industrial situation at the time, the committee appeared if anything somewhat belated. For more than two years before the Whitley group started its work unrest had been rife and threatened to spread, how far no one could guess. Industry was in a ferment; what showed on the surface of things was only less disconcerting than what could be surmised from the undercurrent. Only the declaration of war averted the imminent total paralysis of the country's

transportation system, with the coal miners and the building-trades workmen ready to join in.

In London the building industry was completely tied up by both strike and lockout. To bring matters to a head the national body of building-trades employers had decided on a nation-wide lockout in support of the London employers. Only the outbreak of war put a stop to such a suicidal move. With local civil wars threatening in all directions, with irresponsible groups of men possessed of the power to bring about all sorts of industrial dislocation and inflicting untold misery upon the public—the situation was about as bad as it could be. All through the early stages of war bitter passions were smoldering; mutual distrust and ill will agitated employer and employed.

War considerations suppressed the news of certain disquieting episodes in this home struggle. In the Clyde valley, for example, the men, going over the heads of their constituted officials, and led by a small group of shop stewards, began a movement which attained no little momentum before it was headed off, and which was known as the Withdrawal of Labor Committee. No word of it got abroad. This committee represented the very negation of the ideas and method of collective bargaining. It made for anarchy in the industrial world, and was naturally exposed to destruction by the same method it sought to use against the orderly course of negotiation and binding agreement.

Obviously the war could not be won while such a situation continued, nor could industry readily recover even after victory on the battlefield, were it ever so glorious. Recrimination was useless; both sides could

play that game, and did with zest. Nor could a resort to force avail. Conflagrations are not quenched by violent emotions, nor are states of mind corrected by the bobby's truncheon. The public at large was clamoring for a truce, if not a healing, in this dark situation. Bales of printed matter show how much public interest was agitated, what fears were felt for the boys across the Channel. Letters to the "Times" are the normal safety valve in ordinary emergencies, but at this particular juncture that institution failed to work.

So the Whitley Committee set out in troubled waters to find a binding principle and program; a program which, whatever modifications might be imposed by local conditions, should at least point a way to industrial peace.

Among her other familiar abhorrences Nature abhors an industrial vacuum. *Laissez faire* is impossible. The committee wisely spent no time on causes of unrest; it was not an investigating body set up to probe into the past; it took unrest for granted and proceeded to find out what could be done about it. Its main business was to devise ways and means best suited to the exigencies of the time. Through thick and thin the committee held fast to this big fact: The trouble was not one altogether of wages, hours or conditions. All these had a part, a very large part, in the temper of the industrial districts. But they counted for less than many people supposed. Adjustments may be made to meet demands in wages, hours, and the like; frequently matters look as if settled for good, but soon the same old discontent crops up. This has been the case in Great Britain throughout the war, and I dare say it is typical of industrial history everywhere

else. The milk in the coconut is a larger share in control over those matters which affect the daily interests of the workingman. Naturally the average employer is unprepared for any such scrambling of his managerial eggs, and it is not too much to say that the average worker has not prepared himself for real service in this respect.

But the subject does not end here. Though the mass of England's industrial workers do not clamor for the ousting of the employer, suppression of his managers and executive force, and the substitution of a new régime composed of the names on his pay roll, the idea of a larger share in control has taken root. And during these reconstruction days a vigorous and unwearied group of industrial crusaders are pushing it with millennial ardor. But, as I have said, the general temper is not extreme, the specter of Russian conditions, if nothing else, serving as a grim caution against flying leaps with the industrial organization.

The Whitley Committee saw what wise employers have also seen, that there is an instinct among the workers which represents something wholesome in human nature and something beneficial to industry if a way could be found to satisfy it and yet keep industry sound. The committee held that the way of promise was in the direction of building on the idea of mutuality—not of the lion-and-lamb-lying-down-together business, but the idea of association between equals, between necessary principals in the industrial organization. And with this controlling thought the committee proceeded.

The Whitley Committee was appointed "to make and consider suggestions for securing a permanent

improvement in the relations between employers and workmen; to recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future."

In March, 1917, the committee reported, recommending the establishment in all well-organized trades of joint standing industrial councils, representative of employers and employed; and in July of that year a letter was addressed by the Minister of Labor to all the principal employers' associations and trades unions, asking for their views. By October, 1917, so many favorable replies had been received that the War Cabinet decided to adopt the report as part of its reconstruction policy and instructed the Ministry of Labor to assist in the formation of joint industrial councils. In October, 1917, a second report on joint standing industrial councils was presented, further elaborating the scheme.

At the present time joint industrial councils have been established in the baking, bedstead, bobbins, building, chemical, china clay, furniture, gold and silver, hosiery, leather goods, matches, paint and varnish, pottery, rubber, silk, vehicle and building trades. Negotiations are going on in the surgical instruments, waterworks, woolen and worsted and other trades.

The machinery suggested by the Whitley reports is based on the principle of local option. The committee recommend that in addition to the national councils representing the whole industry there should be created joint district councils and works committees, subsidiary to the national councils. The district councils

would deal with questions having a local character; the works committee would deal with all questions domestic to a particular plant.

It is a feature of the scheme that the constitution of the national and district councils, of the works committee, and of all subcommittees of any of these bodies, shall be based upon the principle of equal representation of employers and employed. A typical council will thus consist of an equal number of representatives appointed by the employers' associations and the trades unions, the chairman as a rule being chosen alternately from among the employers and the workers. The exact lines on which works committees are formed vary according to the conditions of the several industries, but in each case the lines adopted are the result of agreement between the employers and the men.

Whatever methods of representation and voting are adopted special consideration is given to the position of foremen and others in similar posts. These men are sometimes members of the unions and sometimes not. In some cases they have their own unions. Their functions are partly those specially belonging to management, partly those of labor. Their position is one of great importance and they may become either a great aid or a serious obstacle to progress. The steps taken to insure their representation vary in each industry, but the committee lays emphasis on their place in any successful operation of the plan.

The Ministry of Labor supplies any national council with a representative appointed to act as a liaison officer between the council and the various government departments. The acceptance of such assistance is purely voluntary, and a nominee of the ministry is ap-

pointed only at the request of a council. A majority of the councils have, however, made this request.

As to the scope of the councils the Ministry of Labor has made the following suggestions:

Means to secure the largest possible measure of joint action between employers and workpeople for the development of the industry as a part of national life and for the improvement of the conditions of all engaged in the industry.

Regular consideration of wages, hours and working conditions in the industry as a whole.

The consideration of measures for regularizing production and employment.

The consideration of the existing machinery for the settlement of differences between different parties and sections in the industry, and the establishment of machinery for this purpose where it does not already exist, with the object of securing the speedy settlement of difficulties.

The collection of statistics and information on matters appertaining to the industry.

The encouragement of the study of processes and design and of research, with a view to perfecting the products of the industry.

The provision of facilities for the full consideration and utilization of inventions and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement in method or invention shall give to each party an equitable share of the benefits, financially or otherwise, arising therefrom.

Inquiries into special problems of the industry, in-

cluding the comparative study of the organization and methods of the industry in this and other countries, and, where desirable, the publication of reports.

The improvement of the health conditions obtaining in the industry, and the provision of special treatment where necessary for workers in the industry.

The supervision of, entry into and training for the industry, and coöperation with educational authorities in arranging education in all its branches for the industry.

The issue to the press of authoritative statements upon matters affecting the industry of general interest to the community.

Representation of the needs and opinions of the industry to the government, government departments and other authorities.

The following objects have also been included in some of the council constitutions:

The consideration of measures for securing the inclusion of all employers and workpeople in their respective associations.

The arrangement of lectures and the holding of conferences on subjects of general interest to the industry.

Coöperation with the joint industrial councils for other industries to deal with matters of common interest.

Demobilization and resettlement, the training of disabled soldiers and sailors, the position of returning apprentices, the priority of release of "pivotal" men from the army and navy, education, and the rationing of raw materials, are among the subjects that have already been taken up by councils formed under the scheme.

Now in this scheme of industrial organization there are three points that seem to call for special emphasis:

In the first place, the scheme goes a long way toward securing industrial autonomy. Though the decisions of a national industrial council have no statutory force they do represent the considered opinion of the employers and the men, and in practice they are binding on the industry as a whole.

In the second place, the machinery is decentralized and elastic. The provision for district councils and works committees is of importance, for it insures the direct discussion and settlement of local questions by those whom they immediately concern. It is clear that the possibilities of development are very wide. Here is a simple and elastic machinery by which all the parties to any industry can be brought together for coöperation. New methods of organization can be tested by experiment, and adopted or rejected according to the teaching of experience; and in the meantime the ordinary work of the councils and committees creates an atmosphere of broader sympathies and understanding in which the discussion of new issues can be carried on with a better prospect of general agreement.

In the third place—and this is the most important point of all—the object of the councils is not merely to settle or even to avert disputes, but, as I have pointed out, to secure coöperation in the improvement of industry; and this idea is nowhere better expressed than in the work of the Builders' National Industrial Parliament, which was in process of formation at the time the first Whitley report appeared.

Though the decision of the Ministry of Labor to treat councils as the channel of communication adds greatly

to their value it would be a mistake to lay too much emphasis on this official relationship. The great advantage of the plan is the opportunity for industry to work out its own salvation in the light of its own special knowledge.

The principal report of the Whitley Committee, published in March, 1917, was unanimous, and its recommendations have gained universal recognition as a wise and practical compromise between the views of the conservative employer, who regards all trades-union activities with suspicion, and the revolutionist, who aims at destroying the existing industrial structure altogether.

The main proposal of the Whitley Committee—the establishment in every industry of a permanent joint council of employers and employed—looks on the face of it obvious enough. In point of fact, the acceptance of that principle was a revolution in itself, for it meant the recognition of a community as the basic fact in the industrial world rather than an antagonism of interest between employers and employed. Always the development of industrial organization, both on the men's and on the employers' side, has proceeded entirely along separate lines. The employers' associations and men's unions have in fact acted as a continual challenge to one another, each trying to consolidate its own position in order to have power to drive a hard bargain with the other. The master stroke of the Whitley Committee was to take the two organizations as they stood and, far from trying to weaken the influence of either, try to make each as comprehensive as possible, in order that by acting together instead of in opposition they might be able to legislate effec-

tively for all the interests comprised in the industry.

The Whitley Committee made one bold decision at the outset: It resolved not to trouble its head in the first instance about methods for settling industrial disputes. The secret of half the disputes that arise lies in the fact that both sides approach each other as natural antagonists and never get into serious negotiations at all till feelings on each side are already exacerbated by the signs of a coming collision. Get the men and managers to coöperate as a regular practice in fair weather, said the Whitley Committee, and in foul weather they will find their own way of averting a dispute before it becomes dangerous. Following that principle the committee stuck to positive proposals. Every trade, it said, ought to have at the center a national joint council, bringing together the men's unions on the one hand and the employers' associations on the other. That joint machinery ought to be reproduced locally in the form of district councils and works committees, each composed of equal numbers of employers and employed, with or without an independent chairman.

The kind of question a joint council deals with, either directly or through its local councils and committees, includes the better utilization of the workers' knowledge and experience; the means of increasing the control of the workers over conditions in industry; the settlement of the general principles of employment, such as the basis of time and piece rates and their relation to one another; industrial training; methods of negotiation on points of difference between employer and employed; industrial research and the application of its results; the use, development and protection of

inventions and improvements devised by workers; general coöperation in increasing the efficiency of the industry; and the promotion of or declaration of a common opinion on legislation affecting the industry.

On that foundation Whitley councils in more than twenty different industries have been formed. The experiment so far has fully justified itself, but the time for judging it in earnest is not yet. War conditions of industry have been entirely abnormal. The national crisis was bound in any event to work powerfully for coöperation between employers and employed, and the influences operating against industrial disputes have been strong. The real test of the Whitley scheme will come in the next two or three years, when reconstructed industry settles down once more into fixed grooves.

If the new coöperation can survive the pains of reconstruction and stand its ground under the new industrial conditions, its permanence as part of the established mechanism of industry should be assured. There is every prospect, indeed, that it will extend and develop into something more, for if the workers' demands for a larger control over industry are to be satisfied the Whitley councils provide the most obvious means of satisfying them constitutionally.

Before considering that, however, it is worth while examining the achievements of a Whitley council in actual working. One of the earliest councils to be formed was that in the painting and decorating trade. The national joint council was intended to meet four times a year, but it was found that at least twice as many sessions were required to deal with the business. Its purpose, according to its official statement, was

"to promote the continuous and progressive improvement of the industry, to realize its organic unity as a great national service, and to advance the well-being and status of all connected with it."

The council does not profess to concern itself primarily with the settlement of industrial disputes, but its aid and advice are, in point of fact, constantly sought in local controversies. Its chief business has been the equalization of real wages throughout the country, the prevention of unemployment by the better organization of the industry, arrangement for the employment of disabled soldiers and sailors on such terms that their pensions shall not be allowed to depress the wage standard, the promotion of technical training and research, the conditions of apprenticeship and the pooling of schemes for the better conduct of the industry.

The wage question has been taken in hand in earnest, and rates have been revised in different districts—always with an upward tendency—with a view to establishing a national system of rates which will insure that men doing the same work in different parts of the country get a wage which, taking into account the variations in the cost of living in different districts, represents the same value.

At the same time the joint action of employers and men has proved singularly effective in bringing pressure to bear on any employers or operatives who had thoughts of staying outside the scheme for their own advantage. A case occurred in the early days of the painters' and decorators' joint council, in which certain employees were called out on strike by their trades

union because their employer had stood out of the employers' organization. After contesting the matter for a month he swung permanently into line.

In other industries work at least as useful has been accomplished. The building-trades industrial council has opened a special employment exchange in London, managed by a joint committee. The chemical industrial council appoints each month a mobile conciliation committee, consisting of six of its own members, who undertake to be ready to go at a moment's notice to any part of the country to advise on the settlement of a dispute. The joint council for the china-clay industry is occupying itself with questions of education, research and statistics, and the health and welfare of the workers. The furniture-trade council has a committee for rationing raw material for the industry. In the woolen worsted trade a council following substantially, though not identically, the lines of the Whitley Council has been formed to regulate the trade during the transition after-war period, from the rationing of the raw material to the distribution of the finished product. In the shipyards the joint council has concerned itself particularly with the reduction of lost time and hindrances to output generally.

Let us look into the workings of one or two of these councils—the well-known industrial council for the building industry—the Building Trades Parliament, as many call it—and the national council of the pottery industry.

The story of the Building Trades Parliament can best be told in the words of one of its organizers and leaders:

"As a manager and director in several enterprises

I have touched the industrial problem first hand. I became involved, much against my will, in the London building troubles of 1914. On the heels of the strike came the war, which was a wonderful demonstration of the whole people's unity. This gave me a lead. I began to realize that the old industrial idea of coercion, antagonism and resistance ignored some of the most powerful forces that actuated men. Thinking workmen said that the normal condition of industry is one of suppressed war. One employers' association issued a public statement calling for defense against labor aggression.

"What is the result of such a condition? Two groups meet as hostile bodies, a tug of war follows, and instead of constructive work we have sterile controversy and waste. Now industry needs no truce but courage to take forward steps, supported by the constructive genius of both sides in common council. I felt that labor should take the first step.

"Being no longer an employer at the time, I wrote to the organization of carpenters and joiners, my former antagonists, suggesting that they invite the employers' federation to join with them in setting up an industrial parliament, representing management and labor in equal numbers. My idea was not to supersede any existing association or to provide a new means to settle disputes. I wished to see all the parties mobilize for genuine service to the industry.

"Our wage schedule throughout the country, in over one hundred towns in England and Wales alone, was in a state of chaos, giving no end of trouble. By standardizing this schedule we should do away with a large part of the friction and with unfair competition.

Prevailing methods caused needless unemployment, and coöperation would help reduce this evil. By common effort we could provide for the employment of partially disabled soldiers, which is an obligation on every industry, but there are difficulties connected with it which can best be settled in conference.

"There were questions as to the employment of women, trade training, overtime pay, traveling and lodging allowances, and discharge—all of which are matters best disposed of through a conference board which after discussion would work for standardized practice.

"Well, the upshot of it all was a unanimous agreement to start this work, and the parliament came into existence last August. In its membership are thirty-two employers, sixty-six building-trades subcontractors, and sixty-six delegates from the operatives' trade organizations. Here we have a new line for industry, representing true British tradition of justice and self-government as applied to industrial relations. The spectacle of organized management and man power uniting their energies on a program of reconstruction and advance is unique. The building industry is one of the largest and most important of the staple trades. It is time that barriers which have held it back give way to a real team spirit."

Constitutions make dry reading, but in view of the foregoing statement I can venture a few lines from the book of rules adopted by the parliament of the building trades:[1]

[1] See page 466, Memorandum on Industrial Self-Government, the Industrial Council for the Building Industry.

The name shall be The Industrial Council for the Building Industry [Building Trades Parliament], hereinafter referred to as the Council.

The Council is established to secure the largest possible measure of joint action between employers and workpeople for the development of the industry as a part of national life, and for the improvement of the conditions of all engaged in that industry.

It will be open to the Council to take any action that falls within the scope of this general definition. More specific objects will follow:

1. To recommend means for securing that industrial conditions affecting employers and operatives, or the relations between them, shall be systematically reviewed by those concerned, with a view to their improvement.

2. To consider, discuss and formulate opinion upon any proposals which proffer, to those engaged in the industry, the means of attaining improved conditions and a higher standard of life, and involve the enlistment of their active and continuous coöperation in the development of the industry, and to make recommendations thereon, including such questions as measures for—

Regularizing production and employment.

The provision of a graduated scale of minimum rates designed to maintain real wages as nearly as possible on a level throughout the country.

Minimizing the fluctuations of trade by intelligent anticipation and the augmentation of demand in slack periods.

Scientific management and reduction of costs.

Welfare methods.

Closer association between commercial and æsthetic requirements.

The inclusion of all employers and workpeople in their respective associations.

The revision and improvement of existing machinery for the settlement of differences between different sections of the industry, or for the provision of such machinery where nonexistent, with the object of securing the speedy settlement of difficulties.

The better utilization of the practical knowledge and experience of those engaged in the industry.

Securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.

The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying and readjusting wages, having regard to the need for securing to all engaged in the industry a share in the increased prosperity of the industry.

Insuring to the workpeople the greatest possible security of earnings and employment.

Dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates.

3. To collect and circulate statistics and information on matters appertaining to the industry.

4. To promote research and the study and improvement of processes, design, and standards and methods of workmanship, with a view of perfecting the products of the industry.

5. To provide facilities for the full consideration and utilization of inventions and improvements in machinery or methods, and for adequately safeguarding

the rights of the designers or inventors thereof; and to secure that the benefits, financial or otherwise, arising therefrom, shall be equitably apportioned among the designers or inventors, the proprietors or lessees, and the operators thereof.

6. The supervision of entry into and training for the industry and coöperation with the educational authorities in arranging education in all its branches for the industry.

7. The issue to the press of authoritative statements upon matters affecting the industry of general interest to the community.

8. Representation of the needs and opinions of the industry to government departments and local authorities.

9. The consideration of any other matters that may be referred to it by the government or any government department.

10. Coöperation with the Joint Industrial Councils of other industries to deal with problems of common interest.

11. To provide, as far as practicable, that important proposals affecting the industry shall be fully ventilated and discussed through the medium of committees of inquiry, joint district boards, works committees, the trade papers, and the general press; in order that the opinion of members of the industry and of the general public thereon may be accurately gaged before definite decisions are taken.

Unlike the building council the furniture joint industrial council, which started in July, 1918, has on several occasions been asked to mediate or arbitrate on questions in dispute between operatives and employers.

The council has under consideration the establishment of a national conciliation board for the trade, which, when the district councils are formed, will no doubt be linked up with district conciliation boards. The council has held four meetings up to date, and has appointed an executive committee, a resettlement committee, a committee on conciliation machinery and an education committee.

A subcommittee, consisting of the two chairmen, has been appointed to organize district councils in the different localities—including Ireland, with a view to getting the Irish employers and men to coöperate in the work of the national council.

When all the district councils are set up it is proposed to reconstitute the national council on a territorial basis.

The national council of the pottery industry is now an established institution, and is another illustration of good sense at work on the problem of promoting team spirit in industry.[1] As in the case of the building trades the suggestion of the council first came from the employees. This council is designed to regulate wages and selling prices, to promote training for the industry, to improve health and other conditions, and to encourage improved methods of production.

The pottery industry before the war was in an unsatisfactory condition. Its returns pleased neither manufacturer nor worker. The usual ill feeling prevailed. Earnings were low and irregular. Bad sanitary conditions were common, with potter's asthma and lead poisoning ever-present dangers. There was too much driving, and it was bitterly resented. From the

[1] See page 499, National Council of the Pottery Industry.

manufacturer's side there was much to complain of. Profits were small in comparison with other industries. With fifty-eight processes there was difficulty in organizing work on a proper basis. Unrestricted competition, price cutting and wage cutting kept the industry on a low level. Common rules to correct these conditions were a clear necessity, and to this task the council has been giving its attention for over a year.

The problems with which the pottery council deals are the most important problems before the industry.

The first is that of wages. Wage rates in the pottery trade are in a chaotic condition, and neither unions nor employers' associations have even the materials for the establishment of anything like uniform rates for similar work throughout the industry. A statistics subcommittee has begun an investigation into the actual rates and conditions of work in each of the sections of the industry, and the result of this will show how far a systematic list is practicable, and what form it should take. Along with this investigation the same committee has been authorized to ask manufacturers' associations to supply it with certain returns as to average profits on turnover with a view to finding out what are the normal earnings of capital in the industry.

The wage-and-conditions subcommittee has drafted a scheme of works committee. The research subcommittee is in touch with the national Department of Scientific Research to secure the recognition of the council's claim to representation on the governing body of any research association that may be established. Meanwhile the committee is looking into conditions as regards health, and so on, in the workshop, its chairman being the managing director of one of the most

up-to-date firms in industry. Another committee is working with the Design and Industries Association, which has held successful meetings in the district; the wages-and-conditions committee is also overhauling the methods of apprenticeship, which, like the wage system, have never been systematized.

Though all this activity cannot bear fruit for some time the other phase of the council's work—namely, the representation of the needs of the industry to the government—has already proved important. Thus, the council took steps at the second meeting to bring the needs of the industry before the Controller of Shipping. A delegation waited on the Minister of Reconstruction to call his attention to the difficulty with which the china branch had been faced by the cutting off of supplies of South America bone, and secured additional supplies from home resources.

Another type of work is represented by the action of the council with regard to disabled sailors and soldiers and the problems of demobilization. A joint committee, which existed before the council was formed, to advise the local military-service tribunal on the selection of men for retention in the industry, has become a committee charged with the questions regarding demobilization. This committee is preparing a report on the openings for disabled sailors and soldiers in the industry, and on the training required.

Unquestionably the council has been successful in promoting what was after all its principal object—namely, the improvement of relations between employers and employed. This was shown at the end of last March, when the general demand for a greater increase in wages than had ever been made was nego-

tiated successfully without serious ill feeling on either side, and without calling in the assistance of an outside arbitrator, as has usually been necessary in the past.

As big a feature of the joint-government movement in British industry as the councils are the works committees. Such committees are by no means new. They had been in operation for years before the war. But in certain industries, notably in the metal trades, the war conditions stimulated their growth to such an extent, and worked such changes in their form and activities, that works committees to-day are in many places a characteristic result of wartime interest in better industrial relations.

The causes that promoted the growth of a new type of works committee during the war are various, but they may be roughly traced first to the shop stewards, then to the dilution of the working force by a large number of unskilled workers, methods of pay, absenteeism, safeguards against overstrain, and a general sentiment looking to a closer knitting up of the personnel.

Most trade unions have official shop stewards, known by various names as shop delegates, works representatives, yard-committee men, and the like. Their duties are well known, consisting of such matters as looking after the maintenance of the agreement in force, collection of union dues, and settlement of grievances. But one effect of the war has been to enhance the position and prestige of the shop steward. Unable to strike because of war stipulations, among which was one making the official who called it liable to prosecution, the men naturally turned to their shop steward,

who held a less conspicuous place. He was a free man. His power within the shop and, indeed, within the plant was as wide as he chose to make it.

What the public generally fails to recognize in the position of the average union leader is the undertow always at work to weaken his usefulness. The most serious problem that leaders with organizing sense have to face is a strong tendency away from central control toward a larger measure of initiative locally and within each shop. The men are impatient of delay; they want to dispose of their difficulties by short cuts. A functionary far away in London, or wherever headquarters may be, is not near enough to the scene, the men believe, to understand; and they look with suspicion on the so-called judicial attitude, the state of mind of a man who must balance one thing with another. This is a penalty always for big organization. The men have been chafing against the slowness and remoteness of it all, and the shop steward has been encouraged to take things in hand.

Works committees, with shop stewards as the moving spirit, have been started all through the trades. They have attempted to regulate the flow of "dilutees," keeping careful check on the men who have been brought in from the outside. Piecework rates and pressure of increased output have given these committees and managers many hours of agony. Owing to public clamor against slackness in coal mining, committees were started to watch the absentee records of the men and effect an improvement.

War-work strain has made it necessary to regard the physical welfare of the workers. Long hours have been worked; night shifts have been added to day

shifts; work places have been overcrowded, and such facilities as were obtained were greatly overtaxed, while the introduction of women in shops where none were previously employed raised a number of new problems. No better way of handling such questions could be found than through committees of workers most directly concerned, and the result has been a multiplication of such committees, with a voice in the conditions under which they worked.

An automobile plant located in the north of England, and employing six thousand men and about a thousand women, has a shop steward for each one of its forty departments, and the works committee is made up of these stewards. There are no women among them, but a woman representative is present when the management and the stewards take up any question that affects the women employees. There are many conferences between the management and the committee, but they are not regular because it has been found there is not always business to warrant it. Much is settled with the foremen and never comes before the man higher up. The foremen have learned—and they have been encouraged to learn—how to meet with the committee and come to an understanding with it. All meetings are on the employer's time, and the management has never failed to carry out a decision agreed to in conference.

The blast-furnace workers in the Cleveland and Durham districts for over a year had in hand the troublesome question of time-keeping, or attendance, which of course is at bottom a question of output. Through works committees appointed by the men, often joined by committees from the ironmasters' association, un-

steady workers are warned, counseled or fined as the case may require. The fines collected are turned over to some local fund or charity as the men decide. Both parties to this arrangement agree that it has given satisfaction.

Pit committees are found in most of the coal-mining districts. Not all have proved successful, but where they have worked they have justified their existence. They are "responsible for dealing with questions of workmen losing work or failing to do their best."

Here is what a workman, a practical miner, has to say on this subject:

"We have found out that output, which the Coal Controller has been urging on us, is not alone cut down by absence from work; faulty management has something to do with it. Miners have to wait for timber; there are all sorts of hardships in getting to our work and back home. We have to wait for tubs, which are few and scarce and not passed round evenly. The committee can fine the men, but not the management where it falls short. But where management has played fair the output of coal and the wages of the men have increased.

"We do not have any way of getting the foreman to improve his methods, and this spoils much of the good that might be done. He does not pay for dead work, such as emptying dirt or packing it; he should pay for so many tubs. He measures ripping by going to the narrowest instead of the widest part of the level; this may mean to the man a difference of five shillings on that piece of work. Wagons are not sent round the mines according to any fair system.

"One large colliery has a canteen, and the commit-

tee has given help to manage it. Many men are called on to work overtime, and if they cannot get food they cannot be efficient. This colliery with the canteen sells a good meal and hot drinks at cost prices. I know when the winter time comes on and the output of coal depends on the surface workers sticking to their work this colliery has rest periods and hot drinks are passed out. Elsewhere the men have to knock off on account of the weather."

Among the results of placing a larger responsibility for conditions on the men, or on their chosen representatives, has been a marked decrease in those little frictions of the shop which waste the time of busy managers and take longer to settle than really important questions of policy. The experience of firms that have not hesitated to put into practice their belief in the capacity of the rank and file to deal with matters that had hitherto been entirely in the hands of management shows that a new confidence develops and that new ways suggest themselves for checking controversies before they reach a serious stage. Ideas are not lacking if the right atmosphere prevails, and these ideas make for order and advance. The fact that so-called suggestion or complaint boxes so generally fail in getting for the management a true picture of what the men have in mind proves that something is wanting, and that want is not in the men. Employees who are told that they are paid to work and not to think are turned from assets to liabilities. Works committees and, in fact, all sorts of other committees which give the men encouragement to use their heads, have succeeded in clearing away countless little obstructions and misunderstandings which in the aggregate have the re-

sult of putting up a wall between those who, to do their work as it should be done, need above everything contact and frank speech.

I was in the yard of a well-known engine factory in the north of England when one workman was explaining to another, a newcomer, something about the conditions of that plant.

"This shop," he said, "always has one foot in the street. Three of the men who went to the boss with a kick got the sack. So we don't believe in working between meals. We want forty-four hours, but if we hold on we will do better than that because our delegate says he knows a way to get forty hours."

Three miles away from this place is a factory which takes pride in the fact that it has never had a walkout or a strike during the war. On the wall in the office of the general manager is a large framed chart showing a fairly considerable committee system. All the committees head up in a shop-steward works committee. The management and the committee keep minutes of all the meetings. Conferences are systematized and treated as a serious part of the executive program.

With a reduction of war orders the new plants built for that special purpose are shutting down. The works committee has been handling, in collaboration with the general manager, the problem of discharge of the new workers, especially the young women who were engaged for the period of the war. I was present when three hundred girls were being paid off, with a two weeks' extra wage, and they were coursing through the shops making their farewells, the foremen shouting their good wishes to them at the gates.

In the words of a man who has watched the activities of the works committees and knows the manufacturers of England and Scotland:

"Wherever these works committees have been a success you will find the consensus of opinion is—as many a manufacturer has put it—that they have been 'the best thing that has ever happened to the place.' "

Such an opinion could not be so general if experience had not demonstrated the value of the works-committee plan or shown that it was something more than a piece of machinery and different from the old instruments for conciliation. Getting down to rock bottom, works committees mean discussion; and discussion takes time, as everybody knows. This is the theoretical objection, which now and again is thrown up. But you have only to total the minutes and the hours that are wasted by the management in plants that have no such committees or, if they have, never put in enough thought to vitalize them and make them count for something, to discover that the greater waste is under the old system. And there is this in addition: Whatever is settled through conference between management and committee has a chance of staying settled, of leading to something reasonably permanent. And this is what the Whitley people had in mind.

Whatever the scheme adopted, the essential thing is that somewhere in it a joint purpose shall be at work. Unless there be an honest intention of coöperation between the parties to the industrial bargain it would be far better to let the *laissez-faire* method run its course. The Whitley scheme is not a cast-iron scheme. No rigid program will work or be of use in all industries; indeed, it may be useless even in one if it be inflexible.

There is nothing to be gained by minimizing the difficulties, and some of these difficulties are important. Be they what they may there is no excuse for inaction. The cause is big enough to call for willingness to take new ways to meet old issues. And the coöperating spirit is not the worst guide for industry to use.[1]

As has been said, the Whitley scheme, considered in the large, has as yet hardly stood a serious test. Two or three of the general councils are doing about as well as any industrial experiment thus far attempted. No one who has watched their operation can question that they are well worth while, and deserve encouragement. Both sides to the undertaking speak well of it, and wish to see at least five years' trial before passing any final opinion. Real experiments along the line of industrial team play are so few and far between that one feels a peculiar interest in the Whitley developments; and all the more because the underlying idea is to build up on what already exists instead of taking out all the complicated and delicate works of the industrial machine, with the hope of making a fresh start.

Though, as stated above, more than twenty councils are already in being there will soon be thirty and over. Most of them have been formed in the past few months, during a period which cannot be said to represent normal conditions. Therefore few of the councils can be expected to be in full running order. In the main, approved by public opinion, at least by that portion of it which takes any interest in labor problems or is alive to the fact that these problems overshadow every

[1] See page 531, Trade Parliaments.

other in importance, the Whitley, and indeed every other approach to a solution of the question of industrial relations, has its opposition. In the eyes of the industrial revolutionary the salient defect of the trade parliament and council is that they again stereotype the old relationship between employer and employed, and it is precisely that relationship which industrial revolution is out to abolish. But in point of fact the Whitley councils do not necessarily assume any such going back to pre-war relationship. That they militate against overnight industrial upheaval is true. That they point the way of reason and mutual understanding as opposed to violence and destruction is also obvious. But they by no means work against industrial evolution. On the contrary, they open up one of the very few hopeful ways thus far proposed—ways which commend themselves to thinking men in all groups concerned—for the next step to be taken. If larger share in management is gradually to pass into the hands of the managed by far the best way for it to come about will be an orderly transference of responsibility through such joint councils and committees as are set up under the Whitley scheme.

But in any case the time for complete transference is not yet. Nobody with whom I have talked—and I have the views of men who have given years to the advancing of labor interests—wishes to see any wholesale or precipitate action. As they see it, any forward step taken must offer reasonable assurance of success, and not result through unforeseen disaster in setting back the progress the workers have already made.

They believe that no experiment, however roseate

its setting and its promises, is sufficiently valuable to justify a jeopardizing of labor's gains and position. More than other men these experienced leaders in trade organization, trusted by the masses whom they represent, know the cost of every forward step and what the price has been to bring about such advance as has been made. Responsibility has made them circumspect. The stake, they hold, is far too precious for any tampering by untried hands. These views, needless to say, though quite representative not only of the spokesmen but also of the large mass of British workers, are not shared by an energetic element who, though in the minority, are yet influential out of all proportion to their numbers.

Here is the real trouble: So far as actual experiments in an entirely new order of industrial control go, practically no progress has been made. The idea of the union itself, or of a group of workers collectively, undertaking definite contracts has been seriously mooted, and it is an idea full of interesting possibilities. Given an adequate technical organization there would seem to be no reason why a body of men could not in combination act in a given contract very much as a private contractor does. This combine, group or union would undertake for a given sum to deliver a given output or complete a certain piece of work, handling all those matters which fall under the general head of employment and shop management.

The only concrete instance of importance in which the experiment has been tried in England was the erection of the London headquarters of the Theosophical Society a short time before the war. At the moment when the work was to be started a serious building

strike was on in London, and the building committee of the society, sympathetic with the men and at the same time anxious to get their building erected, negotiated a contract directly with the men's union.

Though the experiment met with an initial success it was not possible to give it a fair test because war broke out before the work got far.

Ordinary building operations came to a standstill through government order, and this particular structure was taken over in an unfinished condition by a government department to be completed and used for official purposes.

Altogether the actual British advance toward an increased share in the control of the job is slow and fitful. Here and there beginnings have been made in distributing the load of management and supervision, as in the case of the miners who during the war made themselves responsible for reducing lost time in the pits. There were other isolated but unimportant innovations, from which no particular moral can be drawn. Nevertheless, there can be no doubt that we are on the eve of developments in the direction of increased coöperation in control. If coming events have in this case cast singularly few shadows before them we do have before us a certain amount of instructive war experience with the scheme of the Whitley councils and the works committees.

We may be certain that the principle of teamwork in management, whatever the language in which it finds expression, is not a passing thing or a fantastic dream of the visionary.

It is a principle which has taken hold of men, which invites the best brains for its incorporation into the

fabric of management, and which if sanely and sincerely made the basis of relations between employer and employee holds out the biggest hope for industry.

CHAPTER V

AS THE BRITISH EMPLOYER SEES IT

NOT many months ago a group of employers representing the principal plants in one of the most noted and successful industries of Great Britain met in London. They came together for the purpose of drafting a set of guiding principles in the management of their business. They aimed to put down in black and white the terms of the relationship between employer and employed. In more ways than one this conference in London is absolutely unique. Here were men employing thousands. Conditions in their industry have always been good. Some of the men who attended are known throughout the world for the excellence of their plant surroundings and the care with which they promote the physical well-being of their operatives.

This London meeting did not lay down any rules for the employee; no grievances against the workers were aired; every minute of the long sessions was taken up with the task of formulating propositions by which the leaders of this particular industry agreed to carry on their labor policy.

"We cannot afford to neglect the urgent needs and the outstanding opportunities that confront us in our factories," they said. So they proceeded to draw up a program of their duties as regards wages, the place of the worker in the management, security of employ-

ment, working conditions, disposal of the profits, and social life.

In the matter of wages the conclusion was that these should always be sufficient to enable a man to marry, live in a decent house, provide means for upkeep of the physical efficiency of the family, with a margin for contingencies and recreation.

"The worker asks to-day," they determined, "for more than an improvement in his economic condition. We admit the justice of this claim, and we must cooperate with him and treat him as we should wish to be treated ourselves. We propose to create suitable machinery for this purpose; but we believe that the more essential thing is a living desire to give full expression of a belief in right relations. Experience on shop or works committees trains the members in participation. We shall promote the formation of such committees."

As to security of employment, it was decided that it is the duty of employers to do their utmost to abolish casual labor and to make employment regular. The business should be carefully organized to remedy unemployment evils. "The dismissal of employees should only take place as a last resort. Only men and women who can be relied on to act justly should be given the power of dismissal. The opinion of a works council would be helpful."

The working condition of a factory should enable and encourage a worker to be and to do his best. These conditions should be administered under two heads:

"Personal. From the moment a worker enters a factory he should be regarded as a part of a living or-

ganism, not a mere dividend-producing machine, and treated with respect and courtesy. There should be no nagging or bullying by those in authority, but, on the contrary, insight and leadership. This involves careful choice of overlookers and managers, who should be able both to lead and inspire. At present such officers are often selected solely on account of their technical knowledge, and sometimes because they possess the faculty of getting work out of men by driving them.

"But if the managers and foremen are to be men of the right type they should have ample opportunities for becoming acquainted with our point of view, and also for acquiring a broad, sane outlook on human and industrial relationships. Such opportunities could hardly be given in the course of one or two conferences; but a series of classes or conferences under right leadership might be arranged—some for those already in positions of responsibility, others for those who desire to fit themselves for such posts in the future. Happiness in work should be regarded as a definite aim and asset, and the personal well-being of every worker should be an essential part of the employer's objective.

"Material. Employers should surround their workers with a material environment such as they would desire for themselves or for their children. This will mean that work-rooms are properly ventilated and kept at suitable temperatures, that they are adequately lit, and that due regard is paid to cleanliness. Cloakrooms and lavatories should be so kept that employees coming from respectable homes may find no cause for complaint. The workers should be safeguarded against any undue strain from the length

of the working day or the severity of labor. In determining systems of payment it should never be forgotten that unwise methods of stimulating workers to do their utmost may result in overstrain. Facilities should be given them for spending the dinner hour under restful and comfortable conditions, as well as for obtaining food at reasonable rates. If such facilities cannot be provided within the factory they might perhaps be arranged outside. Again, in organizing the work employers should remember that confinement to one monotonous task, not only month after month but year after year, is apt to deaden the intellect and depress the vitality of the worker. If it be urged that to carry out the above suggestions would often involve too great an expenditure we reply that inefficiency and low productivity in the workers are frequently due to the absence of suitable working conditions.

"Conclusions. Pioneers and pathfinders and the makers of roads are needed just as urgently in the industrial sphere as in the opening up of new tracts of fertile country. But we believe that if the longing for a better order once grips the employing classes such pioneers will not be lacking."

Touching by reason of their work and wide interests all phases of British industry and its problems, the personal statements by big business and industrial leaders here will give a fair picture of what may be called the nonlabor viewpoint on present industrial conditions. The labor viewpoint in its relation to events impending in the new Parliament just elected, and to events on the Continent—particularly in that industrial Vesuvius which once was Russia—will be the subject of the next and concluding chapter.

A man who has done business with the leading manufacturers in and round London as a technical consultant for years said:

"Just now our country is divided into two nations, with no league as yet for enforcing peace between them. I refer to capital and labor, managing and managed. It is a rough division, of course, but well understood. Normally trouble between the two is smoldering; given fuel it breaks into flame. It has become the business of a number of embittered men, not all dishonest or unintelligent—besides, such things don't matter much, anyway, when trouble is on—to fan this flame into conflagration. What seems to embitter them more than any opposition of employer is the unreadiness, the unwillingness of the people whom they exhort to get worked up. But bitterness and violence will never solve anything. At least no solution of theirs can do what understanding coöperation can do. Among employers as well as among the working masses you see two schools growing up—they were in session long before the war—one a school of reason, the other a school of force.

"We have, first, the labor extremist—not necessarily a workingman himself or a man who has ever had experience in building up a real, going labor organization—who wants industrial war; who has been busy these three years past playing on class prejudice in every possible way. He is sincere, and some of the facts he throws up to us need our attention, to say the least. Then there is the extremist on the other side, also sincere, with some facts, too, at his command, who sees the beginning of the end in any attempt to be soft or patient. Let me say for British industry that the

dog-fight basis is going out rapidly, and the mass of employers are no whit behind others in desire to do the right thing. They have given up abusing labor for having power without responsibility; the remedy as they see it is not to break the power but to increase the responsibility.

"So if this big concern, common to both parties, is to prosper, if the school of reason is to prevail—and there are wise heads both among employers and workingmen who form it—it must have the backing of an instructed public opinion. Lack of imagination is our big obstacle. A great upheaval may be the chance of revolutionaries who are wreckers. But there is a better chance these days for the upbuilders. War does not produce; it destroys. To say that industry is war is to say that industry is waste, something the common sense of the people laughs at. But to leave industry's door open for war is of course the negation of sense. The way of hope is in better production under a larger direction of industry. Passing out accumulated wealth in the form of extravagant wages or prizes, distributing capital as working expenses is the shortest road to national suicide.

"We need to look at work itself and the way it is carried on. Under right direction—something which the men as much as the management must supply—work should mean initiative, more enterprise and service. The reconstruction we all talk about means just one thing: Removal of strife through reconciliation; and reconciliation depends on new motives at work in the conduct of industry. From the national point of view the employer is a failure if he does not manage to pay not only dividends on the capital he must bor-

row but wages sufficient for the employee to live as a citizen should, and, in addition, supply opportunity for the employee to find incentives for service during employment."

The head of a Sheffield firm tapping world markets with its product gives time now to industrial problems which he used to spend in building up his great organization. "I have been waiting for years," he said, "to do this very thing, because I think it is the main business of an employer to see to it that his foundations are sound, and by foundations I mean the satisfaction of the working force with their conditions and with their position. Many years ago, against much opposition in the trade, we refused to join in a reduction of wages by one shilling a head. Times were bad, to be sure, but I felt that it was our business, inasmuch as we had been settling everything for ourselves, to shoulder the load of depression. Our stand held up any further attempt to dock wages. Three months later conditions improved and I was thanked by my former opponents for the stand I took.

"In the same way we started years ago with a shorter workday. Dire predictions of our ruin filled our mail; we were supposed to be defying economic laws. Well, events have proved that we were merely a little ahead of our time, and our growth proves meanwhile that prosperity depends a good deal on whether your men work with you or not.

"I have served on a good many committees, but I have not seen enough workmen's representatives on them. Once I was on a committee to look into the question of our mineral resources. The best lead I had was from a man who was once a miner and is now in a

small business of his own. I made it my business to look him up, and he gave me the idea of a central bureau of information, which is the key to our utilizing the country's mineral and other resources. We should open up every avenue of education for the worker; industry suffers because the worker starts life handicapped by entering too early to have given himself a schooling and a sound body. And once he has this education opportunity must be afforded for him to use it.

"Modern labor is very irksome where it is of a repetitive kind. It hardly calls out the best in any man. And the more irksome the work the poorer the wage; this is too often the rule. Now I do not know whether we are any wiser than anybody else or have a better selection of men. I think we are about the average. But we have never had a strike. This is due to a policy. We have a round table for the discussion by all concerned of every possible question that arises and interests our employees. If they have any matter that seems important to them that is enough guaranty for us that it is important.

"We do not live by bread alone; this is said often enough, but we do not take it home with us. We once started our works at six in the morning. Before the men could get a good sleep they had to rise from bed and scurry off to work. We are not early risers in this country, as are the Americans. So we had much bad time keeping and no end of irritation. The men, many of them, did not come in until they had their breakfast. We tried starting a half hour later, but that made no difference. Then we started at seven-twenty-five, and omitted the break at nine o'clock.

The scheme nearly fell down because of the opposition of the men. Before long, however, the scheme succeeded, all hands agreeing that it was on the right lines. Our mistake was in not going over the whole situation with the men and letting their judgment and knowledge settle the thing. To-day our late start attracts many workers to our firm.

"Our clerks and salaried people have vacations with pay. I shall never be satisfied until every laborer may take his vacation with pay. The cost is not the main consideration. We cannot balance dollars or pounds against the health and well-being of men and women. Hope is the great stimulus. We want our working force to find scope for their ambitions. They are entitled to a high standard of living. We claim it for ourselves, do we not?

"Our plants cover one hundred and fifty acres. The famous River Don, mentioned by Chaucer, is near by. In the sixteenth century apprentices working in Sheffield struck because they were fed on its salmon every day. They surely had the right to some variety. As I view the industrial future of my country I believe we are in for the abolition of squalor, misery and bad conditions.

"Our people, who have saved the country and helped in no small way to save the world, are entitled to contentment, good pay, decent homes with gardens, and an education for their children to enable them to fit themselves for the life which appeals to them most, and to make fine men and women of them.

"These are not the visions of a dreamer. Out of the ashes of the war we want to raise something worth while. War has given us many new problems, but we

are tackling them in the proper spirit. I do not mean to wait until the shadow of the grave falls before I do my share and pay my debt to my fellow workers. They are the molders of their own destiny. I want to have the privilege while I can yet be active to join with them in making industry a big opportunity for all of us and for the nation."

Men like Mr. Balfour are the trustees of a fund, known as the Garton Foundation, which has been specializing on the subject of industrial reconstruction. The secretary of this foundation has had ample opportunity to size up the situation, and this is how he views it:

"Let me try briefly to sketch the industrial situation likely to prevail after the war. The demobilization of several millions of men and the rearrangement of the employment of several million men and women, munition workers and the like, will throw a vast number of workers on the labor market. Yet I do not think there will be much unemployment. Civil demands will take the place of war demands. The task will be rather the right distribution than the provision of employment, the bringing together of the worker and the work.

"Much more serious in prospect is the situation in regard to wages. Unless a special effort is made the total national output, and consequently the national income, may be smaller than before the war. Out of the total national wealth a large slice will be required for repairs and rebuilding. Though labor will be in demand we have to face the fact that discontent may be aggravated by certain features in the general temper of the nation. An effort so stupendous as that made during the war is followed by sure reaction. Unless a

fresh stimulus follows there will come a dull and bickering mood. Such moods incline to a breaking down rather than a building up. Though most men, I believe, want to see normal conditions restored as soon as possible no one can tell how many men are attracted by the idea of continuing the use of force to settle further problems of ours. What has been overthrown in war will not long be tolerated under another guise in peace. The industrial order toward which we must work is one in which an evil spirit is replaced by coöperation, equality, freedom and mutual aid. Industry is a phase of the art of living together. Responsibility rather than authority will keep it sound."

"Our industrial problem is at root one of human nature. The ill will that has poisoned industrial relations in the past springs in large part from a failure of understanding. It has been believed that industry was a game of beggar-my-neighbor, a game in which one side could gain only at the expense of the other. The belief is as false as it is pernicious. There are divergent interests between employers and employed, but they are enormously outweighed by the interests that are common to both. The law of industry is not conflict but coöperation. Secrecy is the father of much evil. The parties to industry must lower their defenses and come out courageously on to the open ground.

"The present demands of labor go far beyond mere questions of wages or even hours and working conditions. The official program of the Labor Party includes nationalization of land, railways, coal mines, shipping, power stations and the insurance business, together with a large state control over prices, wages

and profits. The guild movement proposes to set up in each industry an autonomous government, and the rank-and-file movement, which is rapidly growing in strength, proposes to do the same for each shop. The real strength behind these programs is uncertain, but the unrest they indicate is a dominant factor in the situation. The use of industrial organization to achieve certain ends was seen in the seamen's boycott, and in the proposals one hears now and again for workmen's and soldiers' councils in this country.

"It is a common assumption that it is only the propertied classes who have anything to lose in an outbreak of class warfare or industrial conflict, and the assumption is untrue. The methods of conflict are very effective for pulling down; they are both ineffective and uncertain as means of building up. Now the idea of partnership in industry does not mean that the functions of capital, management and labor must or should be merged; that no useful part can be played by the investor; or that the technical side of a business can be removed from expert control.

"During the next few years we shall probably see British industry organize itself for the purpose of raising both the standard of production and the standard of industrial life to a higher level."

Talk with any representative manufacturer or business man in Great Britain and you will be struck by the common note as to what is ahead for industry. There is no depression, though quite apart from labor problems war has left a legacy of problems galore for them to face. Perhaps a truer picture of what has happened would be to say that, in the supreme effort which Britain made, considerations of the future

played almost no part. One keeps forever marveling at these unboastful, uncomplaining people. By dint of probing information dribbles out, of industries abandoned, commerce thrown overboard, all in order to keep up the flow of supplies to the Front, not to that of the British alone, but as unreservedly to that of the Allies—French, Italian, Serbian, Belgian and American; especially the American. One business after another has been stripped bare to meet these needs. Markets long the pride of English export trade have been neglected. But there 's never a wail or a whimper.

Locked up in the archives of the War Office, and in the bureaus which have had in charge the nerve-straining business of rationing the country's factory product between demands at home and those at the Front, are records, as yet unpublished, of how British employers played their part in the war. Take the cement business as one example. Inroads made upon skilled labor by recruiting, difficulty in getting new machinery or repairs made to old machinery, hit the cement industry in the United Kingdom a serious blow. But at the same time demands for war purposes were enormous; fortifications, gun emplacements, hospitals, munition factories—all had to have their share.

Then the United States came into the war. When our armies appeared big demands came for cement in the construction of hospitals, camps and gun emplacements in France. To meet these the export of cement was absolutely shut down. Remember that the United Kingdom had an important export trade in cement, its chief markets being India and South America. Owing to the absence of supplies from Belgium and Germany

the export price jumped. The profit in export of cement promised to be enormous. English manufacturers saw the growing competition of the United States in South America. Certain English brands of cement had a good footing in South America; manufacturers could see their market slipping away from them. In spite of this situation English manufacturers and merchants most loyally helped in the restrictions imposed upon them.

"Our American and our other Allies wanted it; we 'll think about our market presently"; this is how they put it to you.

After the signing of the armistice cement manufacturers sought to recapture their export markets. It was pointed out to them, however, that the ravages of war remained, even though hostilities had ceased, and that it was in the interest of the country that supplies should be held for rebuilding purposes. So, though restrictions on the sale of cement within the United Kingdom have been removed, the government still retains control over export. Only a very small quantity, compared with the pre-war figures, is permitted to leave the country. Of course the manufacturers feel the loss of their overseas trade, but they are standing by—devotion to their country, as always, the first consideration.

Take the tin-plate industry, for another illustration. Tin plate is one of the important weapons of warfare; on it the feeding of armies depends. The soldier's rations in nearly every form are packed in this metal. Conditions under which this war has been fought forced the use of quantities of cold rations, which of neces-

sity have to be packed in tin plate; in a region like Italy or Saloniki, troops had to remain for weeks on the peaks or sides of mountains, far removed from their base, almost out of touch with transport.

Very early in the war an acute shortage of tin plate made itself felt. Apart from its uses in the packing of foodstuffs it is an indispensable element in munitions. Lack of freight facilities further cut down the supplies of tin. Then demands for steel for guns, shell and other supplies made it necessary to ration the quantity of steel available for the tin-plate industry. France, Italy, Serbia and Belgium were largely dependent upon British supplies, and allocations of tin plate had to be made by the British Government to the Allied governments. The shortage within the United Kingdom became so acute that the use of tin plate for every nonessential purpose had to be curtailed or altogether abolished.

The effect upon the tin box-making industry was almost disastrous.

Finally, the tin-plate manufacturers had to sacrifice their export trade. British tin plate has always been in great demand throughout the world. Enormous quantities were exported before the war to South America for the use of the packing industry. The loyal coöperation not only of the manufacturers but also of the tin-box makers answered the call of the government. Every attempt was made to salvage old tin plate; and large quantities of old cans and tin linings have been brought back from various theaters of war and distributed to the factories in the United Kingdom in order to keep them going as well as circumstances

would allow. But British industry went in for winning the war; problems of trade and markets were adjourned for its duration.

The head of probably the largest rubber works in the Old World, who is also a leading figure in an association of manufacturers representing two billion dollars of capital, looks forward to a program on national scale for improvement in the neglected physical surroundings of the workers. He believes that something practical and lasting will come from the spirit of teamwork stirring in Great Britain.

"It is not too much to hope," he said, "that disappearance of antagonisms will be one of the results of the loyal comradeship of all classes during the past four years. Coöperation must be the watchword; on the one side the employer must be prepared to pay good and adequate wages for good work. He must also be prepared to remove from the minds of workmen the dread of what has hitherto been the consequences of unemployment and sickness. It must be recognized that very often the worker finds himself on the unemployed market through no fault of his own.

"It is up to both employers and employed to prove to each other that the mutual suspicions of the past are no longer justified. In all probability the state will demand a definite percentage on an equitable basis of profits made in industry. If so, this must not be used as a means of restricting the fullest possible production. Both employers and employed must bear in mind that full production, in addition to benefiting themselves directly, will bring indirect benefit inasmuch as it will contribute to the general well-being of the state.

"Every facility should be given to insure the intelligent interest of the workers in every phase of the industry in which they are concerned. They should be educated on questions such as the supply of raw material, its production and purchase, the selling and marketing of goods, and in short all commercial operations that affect the work in which they are engaged. This should be one of the results of the recent establishment of industrial councils under the Whitley scheme.

"The question uppermost in the minds of all in Britain to-day, be they directors, managers or clerks in the countinghouse, machine minders in the shop or sweepers in the yard, is whether, now that the Germans are beaten, there shall be peace or war in industry.

"There are people, and many of them, who say that industrial strife is unthinkable. These people point to the united front which employer, workmen and women presented to the common enemy all these past weary four years; to the officers in the trenches saving the lives of their men and the men dying for their officers; to the women of society entering munition works and laboring at bench and machine side by side with the girls from the unfavored quarters; and the workwomen leaving all sorts of places for the manufacture of shell. Europe could not have held out without Britain, nor America have come over in time, and Britain's strength was the strength of all, not a part, of her sons and daughters.

"Nevertheless, now that the purpose for which this unity came into being is accomplished, it is in the balance whether, as far as industry is concerned, the truce to internal war will not be broken and the old,

old struggle of capital and labor be renewed on a vaster scale than ever before.

"The reasons are not far to seek. First, every one has been at strain during the war. Business has been hard. Work in yard and shop and office has been very hard. Nerves all round have been on edge, not for weeks or months, but for years. You in America know better than most people what that means—for you are the hardest and most concentrated workers in the world. Then, think of the anxiety and suffering of literally millions of our workers—whether managers or staff—with their loved ones away in trench or on the sea or, worst of all, in German or Turkish hands.

"Can you wonder if, now that the strain relaxes, we over here, after the first great sigh of relief and thankfulness and triumph, feel irritable and uneasy and inclined to turn to the consideration of personal matters in the spirit of overtired people who, having nursed their sick back to life, now when they need rest find that they must work harder than ever to get enough to live on and pay the doctor's bill?

"That is the condition of industrial folk all round in this country, and no doubt in others. Then, everything has been topsy-turvy. No employer has been able to call his works his own, while workpeople on their side in hundreds of thousands, perhaps millions, of cases have had to leave home and work under most uncomfortable and artificial conditions, to say the least of it, without any holiday to speak of and without any family life.

"Now on top of all this we have to handle the demobilization of sailors and soldiers, some five millions; and of munition workers, three millions; and to adjust

every kind of war process in industry to peace conditions. If all these circumstances are reviewed I do not think this nation, with all its faults, should be too hardly judged if, now that it has to set its affairs in order, it kicks up a certain amount of dust in the process.

"That dust will be raised is certain. We are an awkward-tempered crowd, we Britishers; and all of us, whether English, Scotch or Irish—or, as most of us are, a blend of all three—take kindly to a good square row among ourselves at times, as ducks to water. But there are rows and rows, and there is all the difference in the world between a 'dust up' between men who beneath the surface are comrades, and men who, though smooth when they meet, keep knives in their boots.

"There are in every trade employers and profiteers ready and eager to exploit labor and grind the faces of the poor. But they will not be able, these people, to upset the life and destroy the balance of the nation which has achieved what Britain has achieved in the mighty struggle we have won.

"I have been in Manchester and Birmingham, in Sheffield, in Liverpool, in Cardiff and in Newcastle, and in almost every other center where the lifeblood of our industries runs. And everywhere I have found that the moment a straight appeal for fair play is put to any meeting of workmen and employers by trusted leaders on each side there comes a response that crushes to pulp the storming and shrieking of those who would destroy."

Never before the present time have so many big business men given such sober, persevering and unprejudiced thought to industrial problems. Before the

war you would have had to do some running around to get a line on what might be called the viewpoint of industry. There was a viewpoint, of course, if that is the word for an utter lack of understanding on the part of the average employer of forces working in the field of industrial relations and management. Tradition and outworn notions about the place of labor bandaged the eyes and clouded the thinking of the everyday executive.

Labor, on the other hand, had its viewpoint and its program, unmistakably, for years back. The war only accentuated the outline and the detail of that program. There was no mistaking what workmen wanted; they had their case in good shape.

The average employer had other things on his mind than concern with bothersome labor questions; besides, it was usually the chore of some subordinate to worry about such matters. To-day no man is too big or too busy in the industrial organization to give time and thought to the human factors in the situation; and eager interest in these questions no longer necessarily indicates a weak head. With the best executive brains of industry foremost in the present discussion of Britain's economic future there is warrant enough for an attitude of hopefulness. The example of those rare employers who years ago defied tradition and insisted on regarding industry mainly as a human proposition has borne fruit. But the larger credit for the present spirit is due to the influence of a great experience in common suffering and sacrifice. The men whose constructive abilities had built up the Empire's industries were not slow in catching the significant lessons of this experience; their brains are now at the country's dis-

posal, as they have been throughout the war, ready to serve in the reconstruction.

War came to an end abruptly, as every one knows. It might be supposed that, with the four years of agony over, business men would make a rush upon the government, clamor for the privileges war had about annihilated, and proclaim the instant resumption of "business as usual." There is reason enough for starting up. But business made no such rush nor set up much of any clamor; and as for proclamations, the Britisher is not much of a proclaimer. Instead of scramble, from the morning of the armistice to this very minute, the processes of thoughtful planning have operated and characterized the transition from war to peace. And what is more to the point, the first concern of every industrial leader has been not with recapture of trade but with making a fresh start, a right start in the matter of industrial relations.

A man who has done as much as any one individual to build up the industries of Western England is giving practically all his time to this work. He is for doing away with delay and procrastination. He maintains that there is information enough at hand for a start in settling the relation of employer and employed.

"We have had investigations enough," he said; "let us do something now. There is sense enough on both sides to put behind us some of the problems that have been harassing industry. Our insularity, so often a stumbling block, may in this instance be our safeguard. As for immediate measures that can be taken to deal with the situation, it is clear that they must be progressive to an extent hitherto unparalleled, and that the grievances of labor must be met in the most gen-

erous spirit. There is little doubt that they have, many of them, a substantial foundation in fact. Belief is more important than truth, and labor's conviction that it has not had a square deal will not be shaken by any evidence which it is likely can be adduced before a royal commission.

"If the sense of injury can be removed by a generous pledges bill and by setting up machinery for the investigation of profiteering and undue profits; if, further, labor's desire for increased control of its industrial life is generously met by rapid extension on the lines foreshadowed by the Whitley report; and if, on the one hand, on all occasions labor is honestly and fairly met and not left with a sense of having been used for a purpose, and, on the other, is not treated like a troublesome and unruly schoolboy who has to be humored by his elders; if, in fact, labor is understood as having come to manhood—there is every hope that the difficulties of the transition period will be successfully met."

The president of the National Alliance of Employer and Employed, Frederick Huth Jackson, spoke for this large organization when he said the other day that all men are now agreed that the industrial system of five years ago can never return.

"A new spirit is emerging out of our perplexities," he said, "the national viewpoint taking the place of the sectional, and men who in past days were as far apart as the poles in their outlook and opinions are trying now to give a practical meaning to that worn phrase, 'community of interest.' It is to the work of eliminating bureaucratic control as far as possible and of humanizing problems of industrial reconstruction that

our alliance has set its hand, with results that are encouraging."

A concrete illustration of how this humanizing of industrial relations can be carried out is to be found in the Hans Renold Works at Manchester.[1] In this plant you find a very detailed program of shop and management relationships, undertaken, as the executives are careful to inform you, merely as experiments. They are not afraid of experiments. The moving spirit of the concern, Charles Renold, son of the founder, who set his ideals to work at the same time with his mechanical inventions, is a Cornell graduate, who has the fixed conviction that industrial management is entering on a new stage. And because he has this notion and finds that opposition to it in the trade is disappearing he is hopeful for the nation's industrial future.

What he is after is to find out by actual trial how far under present conditions the necessary machinery can be set up within an industry for distributing the managerial load. If industrial life fails to satisfy the worker, he argues, even with advances in wages and reduction of hours, there must be still something left for a manager to do. The Renold Works use a large number of automatic machines. Apparently every improvement in the automatic workings of these machines deepened a resentment which the men felt but said little about, at least within hearing of the management; and Charles Renold was intelligent enough to sense this feeling or "atmosphere."

The easy remedy of telling men who did n't like becoming cogs in a machine to make way for those who

[1] See page 546, Workshop Committees, C. G. Renold.

did never entered his mind. He enjoyed the initiative, freedom and interest that he found in his daily work, and he saw no reason why some of these benefits might not go even with work on automatic tools. There was no changing the machines of course, or the nature of the work. But there seemed to be opportunities that might offer valuable compensations. And these opportunities lay in the direction of more democratic methods in conducting the business of production. There was "enough power and responsibility to go round; the management need never miss a share going to the employee."

The joint-management scheme of the Renold plant is divided into two main sections. In the first section are all those items that are accepted as within the unquestioned rights of the workers. In the first place, when men are members of outside labor organizations there is need of some parallel agency within the plant to supervise agreements negotiated and handle the detail from the intimate shop, rather than from the outside, viewpoint.

Now the way to act under a system of trade agreements is to begin at once making sure that the rates agreed on are actually received by all the individuals concerned; and furthermore, to make sure that rates and scales of wages apply fairly. Nor is this all. Every promise of advances in pay must be fulfilled. Hedging is nowhere so fatal as in industry. In the matter of piece rates, however set, whether by collective or individual agreement, the basis for each price must be such as to leave no doubt or suspicion in the employee's mind. All the data must be placed where men may come freely to examine them.

The management finds occasion from time to time to instal a new machine or introduce a change in process which is likely, for a time at least, to result in cutting down the number of men employed in that process. Here is work cut out for a shop or works committee to advise how the change may be brought about with the least hardship to the men. These changes, too, often require a new classification of the operatives, a new grading of the men on the pay roll. Conference is the obvious method for avoiding the countless disputes in all such innovations.

Grievances are normal to every aggregation of men. Where means are provided for airing them, checking any petty tyranny which they reveal, there is no reason for any bad feeling in the works; to the sensible manager every grievance freely spoken is a source of help.

For all those questions which involve what may be called the social life of a factory the Renold idea is to provide as much self-government as possible—such questions as, for example, restriction of smoking, shop tidiness, cleaning and oiling of machines, care of overalls, time-checking rules, pay days, use of lavatories, general behavior, meal hours, holiday work, day and night shifts, safety work, medical examination, washing accommodations, drinking-water supply, and a number more—all of them matters in which the employee has more interest to see properly carried out than even the management.

"More important than any making over of the management machinery," Mr. Renold said; "more important even than prompt remedying of specific grievances is the establishing of some degree of human touch and sympathy between management and men. I cannot em-

phasize too strongly that the hopefulness of any experiment lies not in any machinery nor even in wideness of power of self-government by the workers, but in the degree to which touch and, if possible, friendliness can be established.

"In any case of new rules or new developments or new workshop policy there is always difficulty in getting the rank and file to know what the management is driving at. The change may be all to the good; but the mere fact that it is new and not understood may lead to trouble. If wise use is made of committees of workers all such changes would be discussed, explained, and it is not extravagant to expect that these men would soon spread a correct version of the management's intentions among their fellow workers.

"Take the matter of promotions or appointments of foremen. There is usually bad feeling and more. Extremists have urged that workmen should choose their own foremen by election. This may become possible when more experience in self-management is in the possession of the workers, but the present difficulty is that a number of parties and distinct problems are involved. A worker is naturally interested in the human qualities of the foreman, his sympathies, fairness or helpfulness. Other foremen size up the technical fitness of their new colleague. The manager expects skill in handling men and keeping up the producing requirements of the plant. Each of these parties is looking for a different set of qualities. Yet it is worth while making an earnest attempt to reach a common understanding through free discussion.

"One thing more than any other, however, is of practical help: The management must lay down a

clear statement of the qualities deemed necessary for such a post. This done, everybody has an impersonal standard to go by. Another vital point: The extent to which management functions can be delegated or policies brought up for discussion with the men depends very largely on the degree of completeness with which the management itself is organized. Where this is haphazard only autocratic control is possible. Therefore the better organized and more constitutional—in the sense of having known rules and procedures—the management is, the more possible it makes joint action."

Human nature is on the job at the Renold works, as it is pretty much everywhere else. The men of the tool-room shops handed in one day the following resolution:

"Whilst agreeing through abnormal conditions to the introduction of women in the tool room we wish to record our objection to any woman being placed in any position of authority for discipline purposes." The men explained that they felt they were "giving a lot away in allowing women to invade their trade and strongly resented any woman coming into a position of authority." Thanks to the attitude of the women there was no further problem.

What a peep behind the war curtain is a proposition like this, which the Renold, and many another management, has had to face: "Payment for stoppage of work in case of Zeppelin raids."

A delegation representing the two hundred men of a certain shop waited on the joint committee with a proposal that the men should have full pay if they remained in the factory during air raids; or be allowed

to go home without any record of absence. Think of the squabble, recriminations and bad temper that questions of pay when work ceases through no fault of the men always give rise to. Many a bitter strike dates from such issues, hitting against the stone wall of a deadlock.

How did the Renold management and its committee system meet this situation? The answer was payment in full for the first hour after the stoppage and half pay thereafter for the men who stayed in the works, waiting to restart; "considering that the circumstances which bring about these stoppages were out of control of both the management and the men, and that the firm stood proportionately to lose more than the men, it is the opinion of the representatives that this is an equitable arrangement." And note the further comment of the men's committee: "Instruction to dissuading people from going home was justified because it generally happened that an early restart was possible, and the loss to both sides would be less than by sending people away immediately warning of a raid was given, and anyway it was generally recognized that it was safer to remain under cover, and it was only serving the enemy's purpose to stop production more than need be."

British industry has ground for a hopeful view of the future so long as good sense remains the keystone of its management. The can't-be-done school among employers is on the way to wholesale conversion. What has been already done, and done so well, leaves little excuse for the industrial laggard. No better friends of British industry exist than the mass of the rank and file. Given reasonable opportunity, as indus-

trial leaders have begun to do, for satisfaction with industrial life, and big resources in the way of team spirit, efficiency and sustained good work—the contribution of the working force—may be added to the stock of Britain's assets. Failing this there is certain risk of turning friend into foe, a hopeful attitude into one of antagonism, and of loading industry with burdens that it could never so little afford to carry as now.

Prominent employers say that if only their fellow employers desist from harking back to conditions that have gone for good the future may be made one of big promise. There will be problems without end, and many of them will concern industrial relations, but this need not be disquieting. Industry has always had labor problems to face. There is now more general knowledge to face them with, and perhaps a truer appreciation on the part of both management and men of the essential dependence of each upon the other.

I have been impressed by the utter absence of sentimentalism in expressions I have heard among employers as to what industrial relations in the near future are to be. This has seemed to me the most promising fact and guaranty in the situation. Cool judgment, instead of a mush of unworkable platitudes and benevolences, is being brought to bear on questions that call for the same headwork that serious engineering or organization problems demand. To say the least, all such questions are on a par so far as the tax on the best possible brain power is concerned. And on the question of sound relations in Britain's workshops you will find first-rate brain power in action now.

Mr. Gordon Selfridge needs as little introduction in the United States as he does in England. Holding the

unique position of a very successful American merchant in the center of Britain's retail trade he knows what the merchant and manufacturer as well as the bulk of the population here are thinking of, industrially speaking.

"I think that much of the unrest has been due," Mr. Selfridge said, "to the attitude of some employers. Trouble between labor and capital is frequently due to the employer; and in so many cases we discover when the employer has grown from the ranks of labor he becomes autocratic, using just those elements which irritate and which give a desire to hit back.

"Leaders among labor say that in addition to good wages, and so on, the workers feel that as growing human beings and as citizens they ought to have more voice in the management. If I may be personal—in this business, where we have about five thousand employees, the discipline of the house is in the hands of a staff or employee council, which is an elected body and which is entirely independent of the working management of the house, because the general good judgment of the staff council representing the employees keeps it always in the center of the road.

"I cannot but feel that the steady, unhysterical, good common sense which permeates this community and practically every member of it this side will not be effected by the Continental upheaval.

"There is a great difference between a political condition and a commercial condition. Commerce is open for any one to employ his ability as he chooses and as he is able, and there is no sovereign state in that great field of occupation. If a manager become bumptious and overimpressed with his authority he is going to

do that which irritates and which gives the other side the feeling that it has been treated unjustly; and the people of our race and with our lines of thought object above everything else to that which we consider injustice.

"If the manager employs the same kind of good sense in the careful control and the direction and supervision of those people who are upon his pay roll that he himself would like under the same circumstances there is likely to be no trouble whatever.

"We have, however, reached that time when the absence of that good sense is going to make trouble much easier than it was a generation or more ago, because the so-called common people or the multitude are approaching more closely to those who have heretofore been recognized as the favored few. There is less difference to-day between the duke and the street cleaner than there ever was before.

"As to the question, will there be enough work?—that will depend largely upon the energy that is employed by those who have the thing in hand. There will be no trouble in finding plenty of employment for those who are pressing the opportunities of this empire if those who really are in the position to use energy and enterprise do utilize their ability as they should. In other words, the whole world is Great Britain's field in which she could trade, and trade and commerce are the things which really keep the country going, because they are the wage earners of the state. If, therefore, they are in a position to do so they should use the enterprise and the energy which are so desirable and attract the different parts of the world through their merchandise, taking up as much as they can of the trade

which Germany has sacrificed, at least for the moment. There should be no trouble whatever in a very great era of prosperity for this country.

"The stores that are dealing locally must look for their results to the general welfare of the country, and if the country as a whole is prosperous they will do well, and vice versa. Our Christmas trade has been very much the biggest, I think, England has ever had. We broke all records in a thousand places, and I think it has been generally good all over the country. The causes of this boom are general light-heartedness of the people, the fact that the shadow of war is removed, the fact that a very large number of the community had been earning excellent wages, and also that Christmas in Great Britain is always a time for demonstrating that feeling of good will, and therefore it was the best time to show its relief.

"Before the war there was in the industrial life of England very much too much of the conservative spirit which let well enough alone and which said 'Why should we change from the methods of our fathers?' That was undesirable and inefficient spirit, and could only have resulted in a serious setback to England's commercial spirit. It was that spirit which had been allowed to grow that made it very much easier for Germany to get her large trade. The reason that spirit had been allowed to grow was because to many in England the game of success did not seem quite worth the candle, and the spirit of the love of ease was considered more desirable than the love of efficiency.

"We have learned that the productive ability of this small country is, when pushed hard, very much greater than heretofore has been considered possible. With

the great manufacturing districts of Northern France in the hands of the soldiers and producing no material, with restrictions which made importation from America and other foreign countries practically impossible, the manufacturing sections of this country have geared themselves up to such a rate that they have not only supplied us in Great Britain with all the merchandise we want and more, but they have furnished enormous amounts for France, Italy, and so on.

"I cannot speak too highly of the splendid work that the women of this country have done at that moment when their assistance was so necessary. They grasped the oar and pulled with all their might to bring this boat into harbor, and they have raised themselves enormously in the respect of the entire community as being efficient in those things in which heretofore they have had not much opportunity of proving themselves.

"General wages, it is hoped, will not seriously drop from their present rates. It will become difficult to maintain them artificially; on the other hand the standards of living must be maintained by every effort which those who are leading in any way in this country can use. As far as we are concerned we shall make no reductions in wages or salaries in this store.

"There has thus far been no important relaxation in the control of raw material. Certain things have been released and we expect this relaxation to come very quickly; I cannot discover that there is any serious desire on the part of the government to maintain the control, except perhaps in the matter of wool and where the distribution of the raw material must be safeguarded by the state and where manufacturers must be safeguarded for preventing in any way any

profiteering. The business men of Great Britain have as a very general rule been splendidly patriotic and unselfish, thinking during the past four years or so that the great thing was to win the war rather than that their individual selves should be protected.

"The impression that I would convey, if I were speaking to the merchants and business men of America, is that the spirit of the business men of Great Britain is right. The present condition of mind is as one would like to see it—in the direction of reasonableness, good judgment and the safeguarding of the state; and the more we men of business recognize that each one of our institutions, or businesses, or whatever we choose to call them, is one of the assets of the state, then the more nearly do we bring our occupation called business into the line of a profession, using the word profession in the highest sense of the term.

"Every merchant is asking himself, What about business for the coming months and years? Prophecy is unsatisfactory work, but we have concluded that we shall push business with utmost effort and energy; that we shall work harder than ever to adopt new ideas."

Sir Stephenson Kent, one of the big industrial leaders and employers in England, is in charge of the industrial demobilization work. During the war his conferences with American employers and labor groups were among the most helpful in bringing to light the size of the job we had in hand. Here is his view of the British situation:

"In making any statement about the industrial situation in England it is inevitable that difficulties should be dwelt upon. The problems with which we are faced are obvious; solutions are often obscure or only half-

revealed. But it would be a mistake to infer that because perplexities abound the outlook depresses. The tasks and dangers confronting us at the beginning of the war were of far greater magnitude. Nevertheless, though prophets of evil were not wanting, the tasks have been performed and the dangers overcome. Thus the great experience of the recent past justifies us in turning our faces to the future in a spirit of reasonable optimism.

"It is not easy to define briefly the mutual attitude of employer and workman during the war. The complicating factor was the interposition of a third party—the state. The improved terms granted by employers —vastly higher wages, shorter hours, improved welfare conditions—may be attributed, justly no doubt, in part to the overriding necessity of stimulating output; in part to the assistance given by the state to employers who initiated welfare work in their factories; and in part to the power of employers to recoup themselves for the grant of higher wages by the adjustment of their contract prices. The workers in pressing for such improvements as I have indicated, as well as a share in factory management, have no doubt been influenced by the high price of food, the spectacle of profiteering in some quarters, and apprehensions for their post-war future owing to the transformation of mechanical methods and the inrush of semiskilled men and women into the highly skilled crafts.

"But it would be a great mistake to conclude that the workers have been influenced merely by self-interest and that the employers have made only those concessions for which they could procure an equivalent from the state. Behind all these superficial indications of

interested feeling there has undoubtedly been on both sides a conscious working for a great common end, which even divergent interests have not been able to obscure. Employers—by assenting to a national scheme for the periodic revision of wages in various industries, by conceding greatly reduced hours of work, by agreeing in many cases to the shop-committee system and in some leading instances strongly promoting it, and by doing what they could amid the rapid turmoil of enormous war production to humanize the conditions of factory life—have displayed a spirit of humanity and quickness to appreciate the lessons taught by the concentrated industrial experience of the last four years. Again, the hard, willing, devoted work of the millions engaged on the output of munitions can be appreciated only by those who have been able to study it at close range; but as strikes which have occurred may have attracted attention disproportionate to their relative significance it is worth pointing out here that notwithstanding the reactions of war strain the time lost through trade disputes during the period of the war has been an exceedingly small fraction of the whole working time.

"As to how far the better elements of feeling and practical experience produced in the atmosphere of war will be solidified and made permanent in the less acutely idealistic days of peace, much will depend upon the whole commercial position after the coming period of transition. Prophecies are out of the question. The most hopeful prospect lies in developing the spirit of mutual respect and understanding between employers and their workers to which I have already made reference. Bring parties with competing interests

round the same table, let them ventilate their differences freely face to face, and we may look for an atmosphere in which fair-minded accommodation becomes possible.

"It is with that goal in view that the government is actively promoting the Whitley scheme of joint industrial councils, supplemented by industrial-reconstruction committees linking up with the work of the trade boards and existing representative joint bodies. It is also maintaining trade-union advisory committees at the headquarters of government departments, as well as local-labor advisory committees to assist in decentralized administration.

"It may still be possible to discern a really acute difference between the aims of even 'good' employers and 'good' workmen. The employers realize that high wages and attractive conditions are necessary to produce contented workers, but they claim that increased output is an indispensable accompaniment of these. On the other hand the worker is apt to suspect in suggestions of payment by results, in scientific management and in efficiency methods an attack on collective bargaining and the menace of considerable unemployment. The workers ask not only for comfort in the present but security for the future, and for some measure of control of the industry in which they are concerned. It is in this general situation that the promotion of direct negotiation and joint action as between the employing and employed classes is seen to be of the first importance.

"Apart from labor questions perhaps the greatest problem facing British industry at present from the employer's point of view is the fact that while on the

one hand the costs of raw materials and of production are very high there is on the other hand apprehension that prices of manufactured articles may fall heavily. As a consequence, though the need of the world for manufactured articles has never been greater and masses of orders are waiting to be placed, manufacturers in many cases are hanging back.

"The questions of the readaptation of plant and of taxation are also factors in the internal situation, while, looking to the outside, the recovery of markets and trade connections is an issue of prime urgency. From a narrowly national standpoint—such a standpoint as might have seemed natural before we had all learned the lessons of the great war—it might be said that America is not specially interested and concerned in our solving these problems of ours. But these are not pre-war days and I think that perhaps in America as well as in England we shall try to survey things in a more comprehensive and generous spirit. No doubt labor policies in England and America must sooner or later follow the same broad lines. Interchange of views, experience and experiments should be of great interest and value to both countries.

"It may be said that industry tends toward internationalization and that the international relations of labor are only less close than those of capital. A demand is springing up in all countries—and not only on the side of labor—for an international code of industry: a flexible code, susceptible of local modifications, which would remove some of the local fears with which employers listen to the demands of labor. Employers in any one country are deterred from making such concessions by fear of foreign competition. This may

or may not be a valid argument, but it would clearly be advantageous to all parties to reconstruct the foundations of industrial life in such a way as to restore the confidence which is now so often lacking among the three partners in the world's work—employers, employed and the state.

"It is not for England to teach America. England and America are fellow learners in the school of world experience. We may exchange thoughts, ideas, suggestions and records to our mutual and lasting advantage, but one would hesitate a long time before assuming a didactic attitude on any of the subjects I have touched upon. Closer and more frequent consultation would, I think, be very desirable, and possibly we may in the future see conferences taking place periodically between the Departments of Labor of the United Kingdom and the United States.

"Nothing but good can come from exchange of ideas and experience, and I look forward to the day when such questions as hours of the working week will be a matter of international discussion governed by international experience and by international demand. Security of employment and certainty of market should be our goal, and only by international discussions and agreements shall we be able to achieve our common aim."

CHAPTER VI

HOW BRITISH LABOR SEES IT

EVERY labor question in Great Britain is at the same time a political question. This fact should be kept in mind at all times or much that is going on in the industrial world here in England will not be fully understood. For those of us who look on labor matters from the American point of view this admonition is especially necessary. In the United States the labor movement and all its particular trade-union activities may be said to be a complete and self-contained affair, apart from the currents of politics. Labor's program is never merged into or wholly identified with that of the existing national parties.

There is a sense, of course, in which every live industrial topic in a free country is also political or governmental. When a large body of men press for the settlement of any question or the adoption of certain measures, department heads, legislatures, governors, and even Presidents may be moved to take a hand. Still all this, with us at any rate, is more or less accidental. It is not supposed to be the business of our public officials, and certainly not the business of party chiefs, to engage very actively in framing or furthering industrial policies for the labor forces of the country. And we have no distinctive party comprised of Labor representatives for the special purpose of sending men of their own choosing to Congress or to state legislatures.

In Great Britain the line of separation between labor

and political machinery is obliterated. Questions like the eight-hour day, minimum wage, child labor, employment of women and collective bargaining are not merely subjects for discussion between employers and employed or between trade unions and employers' associations; they are among the principal concerns of the political parties, and the very special concern of one party in particular: The Labor Party.[1]

The promotion of specific reforms or legislation in which the manual workers are interested more often takes the form in Great Britain of political than of trade-union action. The campaign is the accepted substitute for the general strike. As a matter of fact both forms of agitation, industrial and political, go on simultaneously, the latter, however, excelling in vigor and in general public interest. Parliamentary action is regarded as by far the more desirable method of getting results, the strike as an inferior and desperate resort.

To capture Parliament—that is, to win a majority of seats in the House of Commons—is labor's aim. This done, industrial reconstruction may be brought about in a constitutional way, the British way. And when a given course can be described as typically British the last word has been said for it.

The Labor Party is as characteristic a creation of the British labor movement as is the corresponding industrial body, the Trades-Union Congress. Most of the trade unions of the country are affiliated with both, supply the bulk of the funds by means of a levy upon their local treasuries or assessment on their members, and through delegates selected for the purpose they

[1] See page 572, The Labor Party Constitution.

direct the affairs of both the Labor Party and the Trades-Union Congress.

Strictly speaking, the Labor Party is not a political party as we ordinarily understand it. It is, in fact, a federation of labor organizations, plus a number of socialist societies, plus a miscellaneous alliance of trade councils, professional groups and a sprinkling of men and women—writers, lecturers, clergymen, social workers, "intellectuals" and others—all of whom combine, not as spokesmen for any specific interest such as mining, teaching, printing or the like, but definitely as labor politicians.

And right here another word of explanation is in order. The term politician as the British use it never carries with it implications of the sort with which we are unhappily familiar. You don't insult anybody here with it. You merely describe an interest of his, or a chief occupation, as if you said of a man that he is a doctor, engineer, journalist or soldier.

Parliament, as I have mentioned, is the goal of the Labor Party's efforts; the majority of the party's representatives in the House of Commons have always been trade-union leaders. There have been times when men not members of unions have sat in the House as the party's spokesmen; because of their work for the party or for the labor movement in general they were taken into the fold, given a place in the party's councils, and backed as the party's candidates in an election. In the general election held last December not one of this outside group won. Every man of the sixty who were elected on the Labor Party ticket holds some trade-union office or is directly connected with some labor organization.

The newspapers were not slow in seizing on this result the moment the figures were known. "Labor Cleans House," "Loyal Labor Wins," "Pacifism Down and Out"—these are among the milder headlines by which the country was apprised of the verdict. There can be no question as to what the five million and more voters—women were among them for the first time—had in mind when they gave victory to the banners of Mr. Lloyd George and his ticket. Much more even than the men the women seem to have made loyalty to the country their acid test in casting their first vote; and rightly or wrongly they singled out candidates on the basis of this simple test for slaughter or success. Only a deliberateness of selection such as this can explain the apparently overwhelming victory of the Prime Minister. The country decided to stand by the present government, which had conducted the war to a successful conclusion, and to return only those Labor candidates whose record left no doubt as to their position throughout the war and their intention as regards the fate of its instigators. This much is clear, for all the hubbub of explanation and commentary.

But what the headlines and first impressions failed to show was the very important fact that the aggregate difference in the votes between the winning and the losing parties was not more than half a million, a slender enough margin, though, as I have said, by no means controverting the decisiveness of the verdict.

To understand how labor views the immediate future in Britain, what its policies are and are likely to be, we must go behind the returns and see just what did happen in the election. The topic is as full of life to-day

as it was in December; in fact, much more so. Labor has its own idea as to what the verdict of the election meant, and it is proceeding to carry out in a pretty definite way the mandate that it believes the country has given it.

In the United States our habit on the morning after election is to let bygones be bygones and forget politics, unless we have some personal interest or cause at stake, until the open season is on again. It is quite the other way here; especially so with the Labor forces, which just at present are unusually busy. And labor, or Labor, is on the map these days, politically speaking; also industrially and internationally speaking.

In the British labor movement there have been cycles of interest and of indifference as regards mixing labor and politics. For a long time there was opposition to labor's going out of its regular trade-action course in order to obtain conditions or concessions that it demanded. At the present moment the pendulum has swung in the direction of great hopes, though somewhat modified by the poorer election showing than was expected—hopes of controlling Parliament in the near future and setting up a Labor government for the United Kingdom.

In 1900 the fusion of trade-union and socialist forces resulted in the birth of the Labor Party. From that time forward the political growth of labor has proceeded apace. In 1906 twenty-nine out of fifty candidates on the Labor ticket captured seats in the House of Commons, formed themselves into a parliamentary party with their own whips and officers, and launched the Labor Party as a going concern and political con-

testant. In 1910 the party fighting in seventy-eight constituencies carried forty of them.

Up to the beginning of the war a generally compact, well-organized group of trade-union and socialist members in the House of Commons worked with more or less internal harmony to promote industrial measures, such as prevention of unemployment, improvement in factory and mining conditions, nationalization of mineral resources, and the protection of unions against restrictions regarded as detrimental to the interests of labor. The war immediately worked confusion and disunity in the ranks of political labor. The partnership of labor and socialist groups looked to be at an end. Broadly speaking the line of cleavage between the trade unions and the socialists seemed to be this: The trade unions unhesitatingly sprang to the support of the government in its move against the German peril; they took what was described as the national, the patriotic viewpoint. The socialists, on the other hand, proclaimed their international viewpoint, which was generally branded throughout the country as unpatriotic and pro-German, not even possessing the crude virtues of that large group of German socialists who, misled or coerced into believing that their country was in danger, stood by their own government.

The Asquith Ministry invited the coöperation of the trade-union members in Parliament and appointed to various posts men like Arthur Henderson of the Iron-Founders; Roberts of the Typographical Association; and Brace of the Miners. Later, under Mr. Lloyd George, other trade-union men appeared in large numbers as government officials. Clynes, the

Food Controller, belongs to the Gas Workers—now called the General Workers Union; Hodge, the Pension Minister, to the Steel Smelters; and Barnes, the labor member of the War Cabinet, to the Engineers.

While the trade-union wing of the party increased and strengthened its connection with the war administration the socialists pursued an opposite course, forming an aggressive left wing, which was bitterly assailed by the public in general and more especially by the trade-union leaders of the party.

Then came the December, 1918, election. You may buttonhole a dozen different individuals and the certainty is that you will get about as many individual explanations as to what the general election in Great Britain really signified. You will soon give up hope of getting anything that might be called a consensus of opinion.

Lloyd George fathered and headed the so-called Coalition ticket. The Coalitionist will tell you that the country showed that it wanted the Prime Minister in and the "old gang" out. The veteran Liberal maintains that the people have been pushed off their feet by a forced election, sprung when nobody was looking and when there was no real issue before the country. Labor asks you to look at its two and a half million votes, with two-thirds of the soldiers unable to cast their ballot, and say if things are not looking up.

There is no question that labor on the whole expected a larger result, though the gain is, as we shall see, one to be most respectfully considered. Fewer seats were won than showed in the prospect. To some extent labor campaigned on anticoalition lines, which meant, for all practical purposes, anti-Lloyd George. Shortly

before the election Labor Party delegates in an all-day conference decided to withdraw from all participation in the Lloyd George administration. This act, coupled with the fact that it carried among its candidates fifty known to be left-wing "radicals and pacifists," placed the labor campaign under very obvious disadvantage so far as the contest before the country was concerned.

Nevertheless the Labor Party made a showing which promises to make it the principal opposition party in the next Parliament, a rôle full of interesting possibilities. Only about half of the total electorate went to the polls, and out of that number labor secured nearly one-quarter—that is to say, two and a half million votes out of ten million. The whole of the left socialist wing was wiped out. There were sixty labor candidates elected out of the 361 in the field; no fewer than twenty-eight of these come from the miners' unions; the unskilled workers won five seats; shipbuilding and other crafts, eleven.

The outstanding fact is the return of trade unionists and the defeat of all others. Mr. Henderson's defeat despite his war record—the loss of one son in action and the service in the field of his two other sons—was the undoubted result of a misunderstanding of his loyalty and intense desire to see Prussianism destroyed.

Now one reason for stressing this election result is its bearing on the international drama which is about to open both in the Paris Peace Conference and in the labor conference also to be held in Paris.

By the trade unionists just elected there is no misapprehension as to the country's intentions so recently

registered. Women, six million of them, newly enfranchised, helped to emphasize the decision. The country has swung toward the right, expressing its determination for a clean finish to the war job, still incomplete. There is no escaping that conclusion, whichever way the figures are studied, and whatever may be one's personal feeling as to the justice or injustice meted out in the case of sundry unsuccessful candidates. Where there were 290 Conservatives in the old House of Commons there are well over 390 in the new House. The Liberal Party has been squeezed out of existence, and though the Labor Party representation has greatly increased its strength it is distinctly more conservative or moderate in complexion than it was with its mixture of right and left wings in the House.

On the last Saturday night in December, when the returns showed how the country had voted, a discomfited candidate declared: "The people have not been heard from yet."

His friend quietly rejoined: "Well, there must have been a few people among that five million which went Coalition."

Mr. Clynes judged the situation more wisely. "Of course we accept the verdict of the poll," he said. "Labor needs no other weapon to secure its ends. The masses of wage earners form the greater part of the electorate, and there is no change in our social order, no economic alteration which organized workers desire which they could not obtain from the floor of the House of Commons if they preferred to send their representatives in large enough numbers.

"Labor, as we desire to see it, should stand for or-

der; it should stand for the law, because the time may come when labor may have to make the law; and if labor wishes to see that example followed labor must not hesitate to set the example. The verdict of the poll for the time being is a verdict which labor men should accept, and I protest against these open invitations to the wage earners to use the weapon of the strike and seek to menace either the public or Parliament with the threat that men will come out in the street and leave the workshops because the men have not been returned to the House of Commons. I do not think that any labor man at any time need fear the loss of anything worth having by indulging in a little candor. Certainly, it is more than possible that in the early years to come public confidence in the capacity of labor to legislate will increase. I hope to see the unity, which in such large degree was shown among all classes for the purposes of the war, continue for the purposes of peace and for the attainment of mutual benefit in the future."

Doubtless the words I have just quoted represent what may be called the normal view of labor, both as regards the election and the spirit in which the industrial policies of the near future are to be framed. And yet it must be pointed out that from a survey of the labor viewpoint the present position is both satisfactory and unsatisfactory. Labor has strengthened its position in the House of Commons. This is clear enough. But it has not strengthened it in any reasonable proportion to the increase of its voting power in the country. That means that what may not inconceivably be a dangerous situation has been created. Labor has made up its mind that certain reforms shall

become law, and that its voice in the affairs of the nation shall be effective in the carrying out of these reforms. It is committed to the carrying out of these reforms. It is committed to the constitutional method —a large portion of labor is. Another section shows impatience with this legal procedure. They advocate direct action, the weapon of the strike and industrial paralysis.

On the present moderate group in the House will fall the burden of demonstrating the parliamentary advantage in fighting, for example, for a general eight-hour day. During the election strong labor leaders said that an effective Labor Party inside the House was the surest guaranty against outbreaks of Bolshevism outside. They have now to make their claim good.

What may be expected to happen? That depends on two or three uncertain factors; on whether, for example, Mr. Lloyd George holds his followers or parts company with them. On the face of it the Prime Minister's position is impregnable, for he will have behind him five-sixths of the House of Commons. The Prime Minister's pace is somewhat faster than is usual to some of his supporters, and he may decline to slow down or they to speed up. Such a development may arise, particularly when questions like land nationalization come to be tackled.

An early approach by the government to the most urgent social-reform problems is certainly to be looked for, with the qualified support of all parties in the House. The Labor Party will support such reforms in principle, but urge that they be made more sweeping. How far the Prime Minister's majority will go with him is but guesswork at present. But the Prime

Minister's words the other day have a special significance—if the government did not do its best to fulfil the promises made he would no longer be the head of the government, but would go back to the people and ask for a renewal of their confidence.

On a good many questions the labor members may find themselves very largely at one with the government. On others they are sure not to be. In such a matter as railway nationalization, for example, differences are certain to arise on at least two points. The first will be on the issue whether the state shall acquire the railways or control their management, as it has done throughout the war. There are a number of railroad directors in the House of Commons who will resist state ownership and stand out for control exercised through commissions. Labor will be in solid opposition to any such proposal. It is out for full ownership, and demands, moreover, representation for the workers in the management.

The Prime Minister has pledged himself to full nationalization of the railroads. But then will come the second battle—on the question of the price to be paid to the present stockholders. Proposals that touch men's pockets are apt to be looked at from different angles.

That is one example of the differences that are bound to arise between labor and the government all along the line. They will arise beyond any question on the first budget the Chancellor of the Exchequer presents, for labor is pledged to the proposition of a tax on capital—a proposition which the whole Conservative Party will fight to the death. On Ireland there can be little agreement. Tariff questions will not produce

quite so acute a division, for labor is not solid on this matter. On tariffs, however, the official labor policy is to press for a system of international industrial legislation which will make measures for the shutting out of "dumped" goods unnecessary. That policy is to be pushed at the Paris Labor Conference.

But the question on which the most serious attention is fixed is whether there will or will not be a manifestation of what is known as "direct" action—that is to say, strikes and violence—as a means of enforcing the will of labor. All the responsible labor leaders have denounced such action repeatedly and emphatically. Mr. Henderson has condemned the suggestion again and again. So has Mr. J. H. Thomas. So has Mr. Clynes. Practically the whole of the sixty labor members just returned to Parliament would be against it. But that does not wholly dispose of the danger. The recent election, as Mr. Ramsay MacDonald declared amid a thunder of cheers at one Albert Hall meeting, is an open incentive to direct action. A volume of votes that should have given labor 170 seats in the House of Commons has, by the chances of the ballot box, given it sixty, and those sixty are ranged against a solid majority that constitutes the Prime Minister an unchallenged dictator if he chooses to use his power in that way. Certain sections of labor are taking the view that since the road of political action is barred against them the only hope left is to try some other.

Bolshevism, however that term is interpreted, has taken firm root nowhere in Great Britain. In 1917, when the Soviets in Russia were in the first flush of their career, a great labor conference was held at Leeds with the object of establishing a system of workers'

and soldiers' councils throughout Great Britain. The conference had little support from the moderate men in the labor movement and it left no permanent result behind it at all.

But though there is no Bolshevism in Britain to-day that does not mean that the recurring symptoms of Bolshevism can be ignored. The madness that has made havoc of Russia has a tendency to blow westward. It may stop at the Rhine, but it will not stop even at the North Sea if unwisely dealt with.

For that kind of manifestation two or three danger spots have to be noted. One is the South Wales mining valleys; another is the shipyards of the Clyde; another the machine shops in the Midlands. There are signs and omens on the Clyde and elsewhere to which all those who are qualified to judge attach importance. Bolshevism may or may not increase; that will be determined largely on industrial grounds. If demobilization is well organized, employment is good, wages are high and management open-minded, there will be no serious fears of grave labor troubles. But if there is any breakdown in the restarting of industry, if there is cause for knots of unemployed to gather at street corners and organize red-flag processions, British ministers may find themselves faced with about as big a problem as the war itself.

One vital factor in the situation is the worker's realization of his place in industry. That is true to-day as it has never been true before. Hitherto the potentiality of power has been there, but it could never be realized for lack of efficient organization. The labor movement has passed beyond that point now. Just before the war broke out a huge trade-union merger

was effected. An amalgamation was carried out bringing into one association the federated unions of the miners, the railwaymen and the transport workers—carters, dockers, tramwaymen and others—throughout the kingdom. This "Triple Alliance," as it is termed, embraces something like a million and a quarter workers.

It cannot be forgotten that there has been some foretaste, even during the war, of drastic labor action. Last November a big labor demonstration was to be held at the Albert Hall, London's largest auditorium. When everything had been arranged the trustees of the hall canceled the contract on the ground that "no revolutionary sentiments would be encouraged."

The organizers of the meeting appealed to a certain government department. The department said it could not interfere in the matter.

At this point the electricians' trade union heard what was happening. They forthwith cut off all the electric light in the hall while a big concert was in progress. That was only a beginning. The second step was to see that all the trains on the Underground Railway passed the stations serving the Albert Hall without stopping, and the third to arrange that no omnibus and no taxicab should put down passengers anywhere within a mile of the hall. There was no need to carry these latter projects into effect, for the government department that had been unable to interfere got busy. The trustees were told they had got to carry out their contract, and the end of the affair was that instead of one labor demonstration two were held, on successive evenings. There was an element of British good humor in the situation that kept everybody cheerful,

but no one who had any knowledge of the situation was blind to the significance of such an incident.

At present, as has been said, the sky is fairly clear, and if there is a disposition to meet labor's program fairly there is no reason why it should not remain clear. But the situation is emphatically not one that lends itself to bungling or insincerities.

With the end of the war there came a revival of interest in the idea of labor internationalism. Labor is naturally anxious to bring the full weight of its influence to bear upon the making of peace and intends to present to the Peace Congress a comprehensive statement of its view upon the problems of the settlement.

Labor asks in the first place for direct representation in the official Peace Congress, but is not likely to get it in the form for which it asked. It is probable, however, that labor will be represented in the Industrial Commission which this country is expected to set up in connection with the Peace Congress, as it has done already with the establishment of a League of Nations section under the chairmanship of Lord Robert Cecil. Its appointment is an earnest on the government side that labor questions will receive a proper share of attention in the Peace Congress. Both the British and the French Governments have shown a disposition to consult organized labor on the question of international labor legislation, and even seem prepared to associate labor representatives with their own plenipotentiaries in preparing proposals for submission to the Peace Congress. The Paris conference is intended to focus labor opinion on the problem of peace, especially upon two points in regard to which labor is

extremely anxious to make its influence felt. One point is the formulating of a charter of international labor legislation. Henderson, the leader of British labor, who is chiefly responsible for the promotion of the conference, has stated in the course of the last few days the labor view on this matter as follows:

"Labor's view is that the adoption of the charter of international labor legislation which it will be the task of the conference to formulate is one of the necessary safeguards of future peace. Economic antagonisms between nations, unfair competition in trade, all help to intensify national jealousies and sow the seeds of war. The way to deal with this problem is to work for an approximate equality of conditions in all countries and to maintain these conditions by the authority and influence of the League of Nations."

These are the ideas with which labor men approach the question of peace. The purpose of the coming conference is to give effect to labor's conception of a satisfactory settlement of the war. In this conference all the working-class organizations of the several countries will be represented. It will probably sit in two sections: A trades-union conference composed of representatives from national bodies like the American Federation of Labor, the Confédération Générale du Travail, the British Trades Union Congress, possibly also the British General Federation of Trade Unions, and other bodies from Scandinavia, Belgium and elsewhere; and a political section of the conference, organized to some extent on the basis of the old International Socialist Bureau. Joint sessions are to be arranged between the industrial and political sections in order to compare notes and present a common pro-

gram to the Peace Congress. Together the two groups or sections will produce a program of international labor legislation which the Peace Congress will be invited to incorporate in the Peace Treaty, and will suggest machinery for maintaining and extending these international provisions in connection with the League of Nations. The program has yet to be worked out. What is in the minds of the leaders is first of all protection for the women and children in industry, measures against sweating, and the limitation of hours of work, and factory legislation for the protection of the workers generally under international auspices. What is expected to result from the discussions upon this phase of the peace problem is some form of international machinery for purposes of supervision and control, in connection with the League of Nations, over the national industries.

It is obvious that labor attaches to the League of Nations power to deal with questions not usually regarded as coming within its scope. Ultimately, it is evident, labor expects to see the league become the great authority in the world, dealing not only with political matters and questions of foreign policy but with economic problems and the trade relations of one country with another and the world at large.

In any international program or body representative of labor forces the dominating influences will doubtless be the British and the American contingents. The purposes and the organization of the American Federation of Labor are well known, the policy thus far pursued being one of straight trade-union activity, free from national political affiliations.

In Britain, on the other hand, the labor forces al-

ways present a dual character, as we have seen—the political and the industrial. There is no such simplicity either of purpose or of organization so characteristic of the American labor movement, and because of this fact there is a good deal of bewilderment in the mind of the average onlooker here; one is never sure of unanimity, never sure that the pronouncement of one group one day will not be offset by the counter manifesto of other groups on succeeding days.

The truth is that there are several labor movements in Great Britain, held together by the slenderest of threads and presenting a united front mainly for the accomplishment of specific ends. All the while these movements and forces are contending for mastery. To be sure, one's reliance is always on the trusted and tried leaders, who represent the prevailing moderate spirit of the British worker and the tendency of most people here to seek to win whatever ends they have in view through constitutional methods.

But an appreciation of labor's view of the industrial future in the country, and of its coming activities in the larger arena of European politics and industrial policy, requires a brief explanation of what the British labor movement really is.

The total trade-union membership of the country is five million and a quarter. The General Federation of Trade Unions includes about one hundred and fifty unions belonging to some twenty industries. The more important unions outside of this federation are the Amalgamated Society of Engineers, the Miners' Federation of Great Britain, and the National Union of Railwaymen, with a membership of more than a million and a half.

The General Federation is an industrial body looking after purely trade-organization interests. The Trades Union Congress, with a more complete trade-union representation, is the general forum and policy-declaring body for the labor movement, with a Parliamentary section, in which matters of legislation and relations with various governmental agencies are considered.

Within the unions themselves vital differences of opinion prevail. There is the endless contest between organization along craft lines and along industrial lines. The question of labor merged into larger groups is a source of much controversy; and finally the reverse question of splitting up into smaller units, such as shop-steward groups, a tendency away from strong central control, constantly threatens the stability of the bigger unions.

A special instance of the movement toward large units is the Triple Industrial Alliance I have already mentioned, of the National Union of Railwaymen, the Miners' Federation of Great Britain and The National Transport Workers' Federation. This body is designed to insure joint action where joint interests are concerned, and though its members are not bound to support each other in a strike it is planned that all members should be informed of any strike which is contemplated and all should then discuss the desirability of joint action. Here is, in fact, a tentative step toward the "one big union"; and though its power would be almost invincible if joint action occurred it shows no sign of absorbing other unions, and it therefore stands outside the main conflicts of the trade-union world referred to above. It may be noted that

the three members of it are already practically industrial unions in the full sense. The cotton industry and the mining industry are almost unique in being able to draw for their officials on men who have had any kind of special training. In the cotton industry the complications of price lists has led to the appointment of experts in every district, who are chosen practically on the basis of a competitive examination. In the mining industry miners' agents and check weighers also require considerable technical knowledge beyond that of mere industrial skill.

This is perhaps the reason why the organization in these two industries has been so complete and effective. Again, in the mining industry certain districts, in particular South Wales and Lanarkshire, have shown a tendency in their industrial organization to adopt extremist leaders and to press on the national organization an extreme industrial program. The fact that in both South Wales and Lanarkshire conditions of life are exceptionally bad is probably more than a coincidence, and though certain propagandist efforts cannot be left out of account the evil conditions which made these districts a fertile field for agitation must be considered as one, at least, of the factors in their irreconcilable attitude.

To sum up, therefore, labor industrially is represented by a very complicated set of organizations. There is a tendency in them toward larger units, but there are forces which tell powerfully against it and which at least will make it a slow process. There is a weakness in the lack of trained administrative officials and there is a grave danger in the overcentralization of the machinery of many of the big unions.

There is, in brief, a lack of cohesion in the movement as a whole, even on questions of purely trade-union policy.

These weaknesses are not new. They were, in fact, inevitable in the condition in which trade unions took their birth and grew to their present stature. For that reason there have been those periods during which industrial labor has oscillated between the two methods of attaining its ends—the industrial and the political. A perfect industrial organization would be supreme at all times but the weaknesses of imperfect organization gave success to the industrial struggle only when other circumstances were favorable to its ends. When, however, such conditions told against it and its efforts resulted in failure there was a natural reaction toward those who insisted that greater results might be obtained by the political method. The story of labor in this country may be regarded on the broadest lines as falling into three stages, of which two are complete. It had first to fight for the right to organize. Only a short time ago trade unions were illegal associations, and leaders of such illegal movements were liable to deportation and were actually deported for their activities. When the right to organize had been gained, the next step was to organize up and down the land. The legal position of a trade union is still a somewhat indefinite thing. But it may be said that substantially trade unions have a large measure of freedom. Now that that freedom has been gained, the next stage, of which we have seen only the beginning, is the stage in which the masses are groping for the effective control of industrial power.

Labor's organization has grown out of a myriad

scattered organizations, each jealous of its own rights; its political machinery is based on the acceptance of candidates by an affiliated union or other affiliated body and by the local organization of the party. These considerations once more emphasize the importance of continually bearing in mind the dual organization of labor, the two phases, industrial and political, which continually react, neither of which can be appreciated without a consideration of the other.

A word must be said concerning connections with organized labor outside the United Kingdom. Here again the two phases of industrial and political organization are apparent. Industrially, international organization has not yet become of much importance. International organization exists in some thirty-two British trades or crafts, of which the most important are the International Miners' Federation and the International Textile Workers' Federation. Besides these there is the general body known as the International Federation of Trade Unions, which covers twenty-one countries, including practically all those in which there is a trade-union movement. The functions of this body are mainly confined to the holding of an annual conference and to an attempt to arrange for an interchange of industrial information between the organized workers of the various countries. It has also attempted to produce a uniform set of labor statistics, though without much success. Great Britain is represented on it by the General Federation of Trade Unions, which, as has been seen, covers only a portion of the organized workers in the kingdom and does not include some of the biggest and most powerful unions. It seems possible, however, that this body may gain

a new importance and may wield more practical influence in the future if, as is anticipated, international labor legislation becomes a regular function of a League of Nations.

The political organization of labor internationally is of much greater importance. The origin of the International was due to Karl Marx, and it is interesting to remember that its genesis took place in London in 1864, though it is only since 1889 that regular meetings have been held and it was in 1900 that was formed the permanent body known as the International Socialist Bureau. The connection between the bureau and the labor and socialist organizations of Great Britain is secured by a joint committee known as the British section of the International Socialist Bureau. This body consists of five delegates from the Labor Party: two from the Independent Labor Party, two from the British Socialist Party and one from the Fabian Society, together with the three British delegates to the central body. The apparent collapse of the whole international movement when faced with the outbreak of a European war can easily be exaggerated; strong common elements on which it could be rebuilt subsisted, except in the case of the Germans; and the efforts which were made from time to time to secure its resurrection have not been without their effect.

Many circumstances now continue to secure for it a new and more promising future, though it has also to face new difficulties. On the one hand there is the increasing feeling of solidarity among the workers of the various nations, on the other the sharper differences among the labor and socialist bodies; and just

as the Labor Party in Great Britain has had to find a working arrangement with the industrial organization, so too the International on the question of international labor legislation will have to secure coöperation with the International Trade-Union Federation. In Great Britain the coördination was easy since the personnel, industrial and political, is so largely the same. Internationally there is greater divergence, and the great labor movement of America, though represented on the International Trade-Union Federation, has not so far a separate political organization, and if it had it would probably find the atmosphere of the International much too extreme. Hence the International will find it difficult to secure a real coherence on industrial matters.

A much more serious difficulty in the way of international solidarity is the split within the national organizations as regards the attitude toward the Russian Bolsheviki and their claims to represent the Russian people. So far as this country is concerned, its verdict is on record. The moderate and dominant sections of the labor movement, opposed to anarchy, have carried the day, and credentials from Bolshevist sources will be most critically examined. It is the conviction of more than one leader here that the greatest menace to the success of the Russian Revolution has been the terrorists who seized the reins, kept the people in check by a liberal sprinkling of funds and machine guns, and who have no hope of remaining in control except as they can duplicate the Russian chaos, destruction of industry and capture of all labor organizations in other countries. Hope lies in the solid *centre bloc* typified by men like J. H. Thomas and Clynes and

University of Toronto

Henderson. The lurking danger lies in the smaller revolutionary bodies, often fortunate in clever political leadership, and their power to exploit industrial friction or political discontent.

The danger of revolution is, however small, never negligible. At a time when the apparently unassailable autocracy of Russia has crumbled away, when Europe almost from end to end is in chaos, it is no longer safe to regard even the soundest of systems as exempt from assault. The revolutionary spirit is abroad and the international organization of labor provides numerous channels for its transference here if circumstances not now apparent make British labor a suitable host for infection.

It is necessary to point out briefly what are the characteristics of the labor movement in Europe. In France we have again the duality of an industrial and a political movement. The Confédération Générale du Travail is the industrial organization and the Parti Socialiste the political. Both are small, measured by membership—about 600,000 in the case of the C. G. T., and 60,000 in the case of the Parti—but their influence and importance are not to be gaged in this way. The Socialist Party, for example, obtained 102 seats in the Chamber of Deputies, the total number of deputies being 602. Besides the 102 members of the Socialist Party there are thirty "Independent" Socialist deputies.

Both organizations—that is, the Parti and the C. G. T.—represent broadly the same point of view. This year arrangements have been made for the closer union of the two organizations and for better coöperation in their joint aims. The political movement differs from

the British labor movement, however, most characteristically in the nature of its leadership and in its theory. It is essentially doctrinaire, its leaders "intellectuals," with a distinct philosophic bent in their writings and propaganda; its general policy and attitude are in this country regarded as extreme.

The Italian labor movement is in outline very similar to the French. On the industrial side is the Confederazione Generale de Lavoro, and on the political, the Socialist Party. Political unity is not so marked as in the case of France, and during the war the government received support from some elements of the extreme left as well as from the right. The general tendencies in both the industrial and political movements, however, are very extreme, more so even than of the French, and approximate closely to those of the Socialist Labor Party in England.

In Norway and Sweden the radical movement is strong and is in close alliance with the labor organizations. Having been subjected to Bolshevik propaganda it has become more extreme and may develop dangerously in spite of the moderation of its best-known leaders, such as Branting. The movement has also gained ground in Denmark.

Recent events in Holland have served to bring into prominence the divisions of the movement—a right group, the center, and the party generally, led by Troelstra; and the left or extremist wing—and have given some indication of its aims and strength. The revolutionary movement commanded the adhesion of only a minority of the workers; had Troelstra not been so sure of his victory as to announce publicly when the revolution would begin the revolutionaries might

have been temporarily successful in a coup d'état. As it was, the result was an overwhelming demonstration of loyalty to the constitution and the Queen.

The labor organizations themselves can claim to have been the first to direct attention to the necessity for international labor legislation, and recently in England, France, Italy, the Scandinavian countries and in Belgium they have either urged in general or indicated in detail the problems to be tackled—the right of trade-union combination, the restriction of dangerous trades, the provision of holidays and leisure, insurance, the regulation of the employment of juvenile and female labor and so on. The practical accomplishment of the international regulation of these, and of humane conditions of industry in general, means an infinite accumulation of detailed knowledge; and none is better fitted by experience and by interest to assist in its collection and to interpret it for the guidance of legislatures than is organized labor. If, therefore, this problem is tackled by a League of Nations as one of its essential functions, one at least of the main present mistrusts of labor will have been removed. Moderate labor leaders in all the European countries will be able to strengthen their position by the solid argument of something done.

There is one final factor which cannot be left out of account, and that is Russia. It should be first of all noted that Russia—or at all events the Bolshevik elements which now control it—has no place or function in the securing of better industrial conditions by means of international legislation. The Bolshevik theory does not allow of any compromise with existing government or of any action which would involve any recogni-

tion of its rights. International legislation or agreement binding the individual states to place certain restrictions on industry is something to which Russian representatives could not subscribe, since in their political and industrial system the employer or management as we know it does not exist. It is not, therefore, in this practical field that Russian influence may be felt.

Its importance lies in its determined propaganda, the destructiveness of which it would be fatal to underestimate.

All parties, political or industrial, are striving toward ideals which even their most fervid adherents admit are incapable of attainment except by slow progress. Their policy is to make that progress as rapidly as possible, but step by step. Even the socialistic theory of Marx looked to an evolution in which industrialism must live its full life—and collapse eventually. It was in fact this argument which the majority socialists in Germany employed to fortify their support of German imperialism during the war, urging that the sooner Germany reached the dominant position to which she was undoubtedly progressing, the sooner would capitalism have run its course; and in the face of this universal doctrine of slow evolution —toward whatever end—the extremist who demanded a sudden overthrow of industrial organization at one blow laid himself open to the charge of the maddest unreason.

Bolshevism in Russia, however, has persuaded a certain type of mind that the apparently impossible can be done, and that the results, good or ill, can be sustained. Adherents of extreme doctrines are doubting now whether they should not revise their ideas as to

the means by which their ideals can be attained, and this attitude of doubt is fertile soil for Bolshevik propaganda. In England, where most of the leaders of labor are hard-headed men from the industries, not prone to vague enthusiasms, there is naturally a tendency to judge by results and to refuse to be stampeded into support of the Bolshevik method or end, with news daily flowing into England of atrocities, famine and industrial chaos in Russia. But it must not be forgotten that the declared intention of the Bolshevik Government is to secure international revolution, and that it is led by men who are experts trained for the purpose. They count it a gain to split any movement, provided one section be more extreme than the original was as a whole.

He would be a wizard indeed who attempted to chart or predict the course of industrial events for the months to come. There is still too much confusion; our knowledge of the situation in various countries is too incomplete for any clear indication of the direction in which the discordant forces covered by the phrases "labor movement" and "labor viewpoint" are moving. We are certain of the course that American labor will pursue both in its home and its international policy. Behind Mr. Gompers and his colleagues there stands a solid body of trade-union opinion and support, the fruit of years of growth and experience.

Back of the elected leaders and spokesmen of the British labor forces there is a powerful body of moderate, typically British workers who will resist to the utmost any excursions into unknown fields of industrial experimenting at the expense of a movement which took a century of struggle to bring to its present stage.

Coöperating with these forces for constructive methods are the most respected employers and managers, and a body of public opinion favorable to the cause of labor's advance.

Britain and America will no doubt have more to do with shaping the course of events in Europe than all other countries combined. But the path of labor's representatives from the English-speaking countries will not be an easy one. Plans or traps, as one may choose to view them, have been laid for the capture of the delegations. Rumors will soon fly thick; propagandists are on the job; nothing will be overlooked that may give the impression in Great Britain and in America that trusted leaders have succumbed to the projects of upheaval. But Continental Europe will find that neither British nor American representatives are novices. Labor in both countries not only looks forward to a peace period marked by orderly progress in industrial relations but is especially impressed by the tremendous importance of maintaining industry intact in order to save the victims of Europe's industrial chaos.

That a new international note is coming into the English-speaking labor world is obvious. There is a tendency to regard the results of the recent general election as a condemnation of international entanglement. To the extent that such entanglement imports an alien spirit into labor policy and implies a disregard of natural typical loyalties of the people there were indeed both condemnation and repudiation.

Yet even during the war British labor kept alive the idea of international labor relations through the inter-

allied conferences, which were held in London in 1915, 1917 and 1918. At these conferences labor's views on the meaning of the world war and its solutions of the problems raised by it were set forth in the well-known Memorandum of War Aims.

Summing up the labor viewpoint and situation in Great Britain I should say that the outstanding event that will make the year 1919 a landmark in these matters is the definite emergence of the Labor Party as the government's chief alternative and opposition party. It is the old labor party enlarged and definitely reconstituted.

About a year ago the party constitution was changed in order to strengthen the membership and give it greater weight in political life. One innovation was the formal recognition of the interest of "all producers by hand or brain." Unlike Bolshevists, the Labor Party does not regard the industrial organizer, specialist and manager as anathema. He is an indispensable factor in production, unless, as in Russia, industry is to be reduced to primitive conditions of barter. It is of interest to note that lately Lenine has been pleading with his coadjutors to entice the fugitive employers and managers back by most extravagant sums of money, in order to resurrect the dead industries of his country.

The present leaders of the Labor Party are clear-headed patriotic men, with experience in building up and with a keen industrial sense. Backed by the strong Trades-Union Congress, which recently signalized its fiftieth birthday by sending a message of congratulation to the Forces, the prospects on which

the majority of the labor forces base their hopes are good. It is not conceivable that the present government will disappoint these hopes.

Signs point to a far-reaching program of national reforms on which labor, government and thinking employers will unite. The keynote is: "Make Britain a good country to live in; its industries fit places to work in."

APPENDIX A

WITH ILLUSTRATIVE MATERIAL

LABOR'S STATEMENT ON THE HOUSING PROBLEM AFTER THE WAR

THE EXTREME URGENCY

On no subject—not even that of demobilization—is it so urgent that Parliament and the Government should come to a decision of policy as on housing. Once a decision has been come to with regard to the method of demobilizing the Army, or with regard to the transfer of the 3,000,000 munition workers to productive employment, there need be no delay in carrying out the decision. But houses do not become instantly ready for occupation on the Government giving the order. Many months must necessarily elapse between the decision to provide dwellings and the entry of the families into these new homes. It is emphatically a matter for the present War Cabinet within the next few weeks. If the Labor Party is unable to get the Government to decide its housing policy many months in advance of peace, the new houses will not be in existence for the soldiers to return to.

THE EXTENT OF THE SHORTAGE

What creates the urgency is, in most parts of Great Britain and in Dublin and Belfast, the appalling shortage of houses for the wage earners, and the consequent overcrowding, notwithstanding the temporary absence of 5,000,000 men in the Army and Navy. This shortage is due to three causes—

(*a*) We were already overcrowded ten years ago. No family, large or small, ought anywhere to be living more than two persons to a room—yet the census of 1901 showed that, in England and Wales alone, there were then no fewer than 2,667,506 persons living (in tenements of one to four rooms) *more than two to a room.* In the southern half of Scotland and in some parts of Ireland (notably Dublin and Belfast) conditions were even worse. In Glasgow,

for example, where every room in the artisan's house is used as a bed-room, no less than 55.7 per cent. of the whole population were living more than two persons to a room, and 27.9 per cent. actually more than three persons to a room. Overcrowding is even worse amongst the metal workers and miners of Coatbridge, where more than three-fourths of the population (76.7 per cent.) were living in one and two-roomed houses; nearly half (45 per cent.) were living more than three persons to a room; and 71.2 per cent. more than two persons to a room. There was thus already in 1901, a shortage of many hundred thousand rooms; and the 80,000 new working-class dwellings that were then being put up annually did no more than keep pace with the increase of population.

(*b*) The speculative builder gradually gave up the building of working-class cottages and tenements; and from 1907 onward the number of new houses built to let at less than 10s. per week rapidly declined, and (including all municipal, rural landlord, and philanthropic building) it has latterly, taking the country as a whole, year by year fallen far short of the annual increase of population. Thus the shortage in all the districts in which the population has been increasing became acute.

(*c*) During the three years of war all such building (except in about a dozen "munition areas," specially subsidized by the Government) has ceased—it has, in fact, been prohibited.

The result is that, in nearly all the towns of Great Britain, as also in Dublin and Belfast, in all the mining districts, and in nearly all the agricultural areas of England and Wales, and in parts of Scotland the overcrowding has become intensified. Even the President of the Local Government Board for England and Wales (Mr. Hayes Fisher), when acting as Parlimentary Secretary, was driven to estimate the deficiency of working-class cottages and flats at half-a-million. This is well below the truth. Including Scotland and Ireland, at least 1,000,000 new dwellings, to be let at not more than a few shillings a week, according to size, are urgently required.

WHAT WILL HAPPEN WHEN THE RENT RESTRICTION ACT EXPIRES?

At present (although the Act is often evaded) landlords are prevented from raising rents above the pre-war figure by the Restriction of Rent and Mortgages Act. These landlords complain that the Act is depriving them of several million pounds a year of income. It is due to expire six months after peace is proclaimed. Unless something is done there will then be, in many towns, and in many mining and agricultural districts, a bound up in rents,

sometimes of as much as 5s. a week! Such a rise, just in the midst of the industrial dislocation caused by the discharge of half the entire wage-earning class from the munition works and the Army, would cause the most severe distress.

Of course, the Rent Restriction Act might, by a new Statute, be continued in force. But the Act cannot be continued indefinitely. The only way to prevent "scarcity rents" is to get the requisite million new dwellings actually ready for occupation.

WHO IS TO BUILD THE NEW COTTAGES?

The times will be bad for speculative building; all materials will continue dear for years to come; loans of capital will be hard to get, and the rate of interest will remain high. If speculative builders found no profit in putting up working-class dwellings before the war, it is plain that they will be quite unable to do so under the more adverse conditions that will now prevail. We cannot possibly allow grants of public money to private builders. Coöperative societies will find it equally impossible to build without loss. We cannot rely on philanthropic landowners and charitable trusts for more than a trifling proportion of the need. What are called "public utility societies" (in which the shareholders content themselves with 5 per cent. dividends) cannot now operate without subsidies from public funds.

It seems clear that no one but the municipalities and the National Government can possibly shoulder the task of building 1,000,000 new rural and urban dwellings—5,000,000 additional rooms—which may cost at the high prices that will prevail, at least £250,000,000.

THE GOVERNMENT POLICY

The duty of providing houses for the people is at present placed on the local authorities (Town and District Councils; in London the L. C. C. and Metropolitan Borough Councils; in Scotland the Burgh Councils), which have very large powers under the Housing Acts. But the Councilors (who often have houses of their own to let) are usually unwilling to proceed at all; they are very much afraid of any charge on the rates; and they never decide to make anything like an adequate increase in the number of dwellings available for wage-earning families. In face of the high prices for materials and the increased rate of interest for loans no local authority can nowadays put up working-class dwellings of any kind—any more than the speculative builder can—otherwise than with a heavy

annual deficit, which would become a change on the rates. No local authority will incur this loss.

The Government accordingly adopted the policy (announced in the House of Commons 27th November, 1914) of a Free Grant from the Exchequer (in addition to loans at cost price) of such a proportion of the cost of each housing scheme by a local authority as would enable the local authority to charge the customary rents and yet avoid loss. As publicly declared by Lord Rhondda, this is still the Government policy, but during the war it has been put in operation only in about a dozen "munition areas" where additional houses were most urgently required. In these cases the Free Grant from the Exchequer has been, on an average, about 20 per cent. of the total cost. In no other way could the Government get these houses built. It is plain that, after the war, there will, equally, be no other way.

What we have to secure is that the absolutely necessary 1,000,000 new dwellings shall be built, where they are wanted, of the kind that is wanted, as soon as they are wanted. The rate at which the whole 1,000,000 can be put up must depend on the materials and labor being available. But assuming that sufficient materials can be provided, and that men of the building trades would otherwise be unemployed, the whole 1,000,000 new houses ought to be completed within four years from the declaration of peace. It must be remembered that, after the war, the population of the United Kingdom will be fully as large as it was before the war. Great as have been the losses by war, they are more than counterbalanced by the almost complete stoppage of emigration during the war. Emigration will doubtless begin again when peace comes, but it is very doubtful whether it will at once assume its former proportions. Hence we shall still be needing at least 100,000 additional new houses a year, even after the present shortage of 1,000,000 is made up, as long as the population continues to increase at its present rate.

WHAT THE GOVERNMENT OUGHT TO BE CALLED UPON TO DO AT ONCE

What is urgently needed is an *immediate* decision as to the Government housing policy, so that all the necessary preparations can be made in advance, ready for the actual building to begin the day after peace is declared.

(*a*) *The Government must promptly inform all the local authorities that the requisite 1,000,000 new dwellings have got to be built, and that each place will have its assigned quota.*

The local authorities will certainly hang back; some will not want to have any more working-class dwellings; property owners will everywhere prefer to let rents go to scarcity figures; hardly any Council will be ready to build either quickly or enough. The three Local Government Boards for England and Wales, Scotland, and Ireland ought to fix and officially proclaim the quota of new dwellings that each local authority must, within four years, get built—taking into account, for each place, such statistics as (i.) the number of persons living more than two to a room at the census of 1911; (ii.) the subsequent estimated increase or decrease of population; (iii.) the estimated number of dwellings needed to be closed as insanitary; and (iv.) the number of dwellings to let.

(*b*) *The local authority should everywhere be required to decide, within one month, whether or not it will undertake to build the quota thus fixed, upon the terms offered by the Government.*

It is better that the local authority should build for its own district than that the Central Government should have to undertake the task; and the local authority should, therefore, be given the option of doing its duty. But it is, in the national interest, imperative that the full number of new dwellings of the kind required should actually be put up within the allotted time; and if any local authority (which is now temporarily outside the control of the local electorate) will not undertake its share of the task, the Central Government will simply have to do the work itself. A declaration to this effect will bring most recalcitrant Councilors to reason. If they find that the new dwellings will anyhow be built in their district, they will prefer the work to be undertaken by their own Council rather than by the Government Department.

But the Local Government Board must make it clear that the scheme will involve no charge on the rates. The Free Grant from the Exchequer (in addition to the loan of the rest of the cost on the best possible terms) must be sufficient to enable the balance sheet to show no annual deficit, counting on rents within the actual means of wage-earning tenants and certainly no more than those customary in the locality, and providing for the actual cost of the sites, the swollen expense of building, sufficient allowance for management and repairs, and whatever interest and sinking fund the Government requires.

(*c*) *The land must be at once secured* (*or a legal option obtained*) *under the summary process of the Defense of the Realm Act or some equally speedy procedure.*

If land has to be acquired under the Housing Acts, not only is the compensation sometimes excessive (which will now be a matter

for the Government to consider), but—what is more important—the delays are interminable. It often takes a local authority a couple of years between deciding on a housing scheme and getting possession of the site chosen. Unless the Government sees to it that the sites for the 1,000,000 new dwellings are secured at once, or at any rate during the war, there will be no new homes for the soldiers to come back to.

(*d*) *The plans must equally be prepared and approved in advance; and the local authorities should be required to have them ready within three months of the decision to provide so many dwellings.*

The Local Government Board might, for the sake of expedition and economy, supply every local authority with alternative sets of model plans; but we do not want a uniformly ugly "Government cottage" dumped down all over the country! The model plans should be sent only as suggestions for the assistance of the local authority, to be adapted to local conditions, or to be improved on.

The plans must, of course, provide for cottages or other dwellings of different sizes and accommodation, of up-to-date sanitary construction; each home to be "self-contained"; with rooms of adequate floor space, height, and window lighting; properly equipped with kitchen range with hot water fittings, stoves, sinks, and gas and water laid on (where available); with sufficient cupboards and storage for food and coal; and invariably with a fitted bath. Every cottage must stand in its own garden of not less than one-eighth of an acre. We ought to determine that the 1,000,000 "Dwellings of the Great Peace" shall be a model for the ensuing generation.

(*e*) *The Government must for four years secure "priority" for these 1,000,000 working-class dwellings as regards all building materials.*

When peace comes there will be a general shortage of all building materials all over the world (notably timber, cement, bricks and building stone, builders' ironwork, and house fittings). As between nations, there will probably have to be an international control of exportable surpluses, so that each can get its share. Within each nation the Government will have to control all supplies, and assign what can be spared to the different objects, on the principle of "first things first." Thus the only building that can be permitted (until supplies become abundant) will be that which is urgently required, not for private profit or the personal comfort of the rich, but in the public interest. Along with the necessary renewing or enlarging of factories, railways, public enterprises, etc., must come, in the first rank of priority, the 1,000,000 new working-class dwell-

ings that are so urgently needed. For a long time to come there can clearly be no using of materials for palaces, hotels, or any "luxury" buildings until the shortage in cottages has been made good. This "priority" needs to be emphasized.

(*f*) *The 1,000,000 new dwellings should be everywhere begun the day after peace is declared; but should be proceeded with, month by month, strictly in correspondence with the supply of building trades workmen, so as to leave practically none of them at any time unemployed.*

The sooner the whole 1,000,000 new dwellings are completed the better for the nation (and the earlier we can let the Rent Restriction Act expire and safely restore to the property owner his freedom to charge whatever rent he can get!). But it will depend on the War Office how quickly the hundreds of thousands of bricklayers, masons, carpenters, plasterers, plumbers, and building laborers are released from the Army, or from the other occupations to which they have had to turn. The Employment Exchanges, which will have to pay these building operatives their unemployment benefit, should, therefore, report to the Local Government Board, week by week, how many are available and in what towns; and the Government should arrange for all public building works to proceed at a greater or less rate, in exact correspondence with the available supply of labor and thus prevent unemployment.

(*g*) *Where the local authority obstinately refuses to build the quota assigned to it, the Local Government Board should itself undertake the building, placing the work under the supervision of a local committee appointed by itself, on which the Trades Council, the local Trade Union branches, and the local women's industrial organizations should be represented.*

The nation cannot afford to permit the shortage of working-class dwellings to continue, even where the local Councilors (not having to run the gauntlet of an election) refuse to undertake the necessary housing scheme. The Government must be prepared, in these cases, itself to build. It can offer the local authority the dwellings when completed, either at cost price less the usual Free Grant, or at a valuation.

THE COST

To build, properly and healthily, 1,000,000 new working-class dwellings in all parts of the United Kingdom in both rural and urban areas may probably cost, at the high prices that will prevail, £250,000,000 (the cost of five or six weeks of the war). But even

charging no more than the rents customary in each locality, probably £200,000,000 of this cost would be no more than a sound financial investment, covering not only repairs, management, and interest, but also a sinking fund to repay the whole debt within 60 years. The real expense would be represented by the Free Grant from the Exchequer to enable the several housing schemes to pay their way. If the Government were to lend the whole capital free of interest (thus permitting an actual reduction of rent), this would involve a cost to the Exchequer in the first year (assuming that the Government borrows at 5 per cent.) of £12,500,000. If the Government, as an alternative, makes the same sort of Free Grant as it has done in a dozen "munition areas," just sufficient to enable the local authorities to avoid any charge on the rates at rents not exceeding those heretofore customary (putting this Free Grant at an average of 20 per cent.), we get a total expense, once for all, of no more than £50,000,000—less than ten days' cost of the war; less even than would be covered by a continuation for three months of the excess profits tax! The nation cannot afford not to do it.

REPORT BY MINISTRY OF RECONSTRUCTION ON HOUSING IN ENGLAND AND WALES

I. A Large Task

One of our greatest and most urgent tasks after the war will be to secure good and healthy homes for all. We should aim that the houses of the future be well built, have sufficient accommodation, and that there be enough of them to prevent overcrowding. They should have sufficient light and air and not be built in long monotonous rows. Sufficient open space, not merely for health but for amenity, should be provided, and adequate gardens. Moreover, in the plans of the houses and the lay-out of the land regard must be had to beauty as well as health. Not merely should the planning of the *new* houses and their surroundings satisfy this high standard, but *existing* houses, which are defective or insanitary, should be made thoroughly fit or be demolished. The crowded slum areas and narrow courts which disfigure so many of our towns and which have caused so much disease and suffering should be cleared or properly restored.

All this may sound ideal, but the gigantic transformations which have taken place during the war give hope that in time we may achieve the whole of this task. Of course, it will take time, and we

shall have to work by stages and must make sure that each step is a safe and sure one. But if we set out with that earnestness of purpose and energy which we have shown in the war, this transformation of Britain will be accomplished. This is a duty we owe to ourselves, but still more to the men serving overseas who have given up so much and who must be assured of decent and healthy homes when their fighting is over.

The Housing problem has not arisen out of the war, but has merely been rendered more urgent and more difficult by its effects. Even before the war the housing of the workers was very far short of a decent standard. A certain proportion, and in some cases a considerable proportion, of the population were living under overcrowded conditions in narrow streets of houses or tenements without adequate light and air or open spaces. Many of the houses and tenements themselves were quite unfit for human beings to live in. *Each year of the war made conditions considerably worse,* and, as we shall show, the present Housing problem may be now stated as consisting in:

(*a*) A shortage of houses amounting to between 300,000 and 400,000 for England and Wales. This is quite apart from any further shortage which would be created by the closing of slum houses.

(*b*) A large number of defective and insanitary houses which are unfit for human beings to live in.

(*c*) In many towns slum areas consisting of crowded and narrow courts and streets.

To solve the problem, therefore, it will be necessary first to have sufficient houses well planned and well laid out; secondly, to close and demolish unfit houses, or to see that they are properly and thoroughly repaired; and thirdly, to clear and improve the slum areas which disfigure so many of our towns. It is the object of this booklet to show the measures which will be necessary in order to achieve this. But to do so, it is first necessary to review briefly the position before the war and to see what steps were being taken to improve conditions, and why they had failed to attain their object.

II. Housing Before the War

THE SHORTAGE OF HOUSES

According to the Report of the Census of 1911 no fewer than one-tenth of the population were living under overcrowded conditions. It must be remembered that the standard for overcrowding

adopted by the Census Authorities is a low one. People are only regarded as being overcrowded if they are living more than two to a room, including living-rooms. Thus, if a cottage or tenement consists of two bedrooms and living-room it is only regarded as overcrowded if there are more than six persons living in it. Further, children under fourteen are only counted as half a person. To find that one-tenth of the population were overcrowded on this standard gives some idea how serious was the shortage of houses. It is true that in some cases overcrowding was due to the fact that the family could not afford to pay for sufficient rooms, and that until the causes of poverty are removed no final solution of the housing problem can be attained. But even when this is allowed for, it undoubtedly remains a fact that large masses of people were overcrowded simply because there was not sufficient house room. To quote a well-known phrase, there was "no room to live."

The shortage of houses was not confined to the towns or to any one part of the country, but existed in towns and villages throughout the length and breadth of Great Britain. It is true there were some places and districts which were well supplied with houses, but the evidence of the census figures and of the reports of Medical Officers of Health clearly showed that the shortage was widespread.

DEFECTIVE AND INSANITARY DWELLINGS

The trouble did not end with the mere shortage of houses and the consequent overcrowding. A large number of the inhabited houses, both in town and country, were dilapidated or insanitary, and in many cases also dark and damp. The reports of the Medical Officers of Health of the various Borough, Urban, and Rural District Councils testified to these defective conditions. In many cases the houses could not by any possible method of repair have been put into a satisfactory condition, and in a still larger number of cases, though capable of repair, they were, in fact, not touched, and in their existing state were not reasonably fit for human beings to dwell in. Here again it is important to remember that the conditions existed both in town and country.

SLUM AREAS

In many towns there were whole areas, sometimes large, sometimes small, which were overcrowded with houses and in which there was a deficiency of adequate air and light. In these districts the streets and courts were narrow and sunless, and the conditions could not be dealt with merely by improving the individual houses but required

the clearance and improvement of the whole area. These slum areas, in the main, were to be found in the larger towns, but they also existed in quite small country towns, and even in villages. They fostered the spread of disease and prevented healthy life both physical and moral.

SOME ILLUSTRATIONS

To illustrate the conditions we have described the official and published reports of Medical Officers of Health of two towns and two rural districts may be quoted. They are selected at random and, as they present facts neither better nor worse than hundreds of reports of Medical Officers for other districts, the names of the towns and districts are not mentioned. To mention the names might imply that the conditions of these particular places were worse than elsewhere, and this is far from being the case.

TOWNS

"There are probably between 40,000 and 50,000 back-to-back houses, a large number of which are in courtyards, or in short terraces shut in behind houses which face the street. Much of this class of property is becoming worn out, and as a result owners are, to an ever-increasing extent, lessening their expenditure on its upkeep. During 1912 there were 926 houses 'represented' as unfit for human habitation.

"The condition of many of the older houses in the district cannot be considered satisfactory. Sunlight and fresh air are prime necessities for ensuring health and minimizing disease, but these are unattainable in the crowded slum, and in the houses with no through ventilation, of which there are many in your district.

COUNTRY DISTRICTS

"There is in many villages a clamant need for new and better dwellings, and after these have been erected, for the closure and demolition of many of the old ones. Certain villages have suffered evident demoralization as a result of the slow deterioration of the housing conditions of the people.

"There were forty-nine cottages inspected last year in which nothing short of pulling down and entirely rebuilding could make them habitable. And besides these things were discovered forty-four cases of overcrowding. . . . In nearly all these cases it was almost impossible to abate the overcrowding as there were no other cottages available for the tenants to go into. It must be borne in mind that were it not that cottages are so scarce throughout the district, a

much larger number would be condemned and really required to be closed."

This, then, was the housing situation before the war. Let us now see what steps were being taken to remedy this state of affairs, as the success or failure of these steps has an important bearing on the program for housing reform which we hope to see in the future.

III. Attempts to Improve Housing Conditions

Various Acts of Parliament were passed during the nineteenth and the present century for the purpose of improving the conditions under which the workers were housed. The basis of the present law is the Housing Act of 1890, but its provisions have been amended and enlarged by various other Acts, particularly the Housing and Town Planning Act of 1909. In addition, many of the provisions of the Public Health Acts (particularly the Act of 1875) deal with housing questions.

Under all these Acts the Local Authority—*i.e.*, the Borough or Urban District Council in the towns and the Rural District Council in the counties, and in London for some purposes the County Council—is the responsible authority for carrying out the law, subject to the general supervision of the Local Government Board. (The Local Authorities employ Medical Officers of Health, Surveyors, and Sanitary Inspectors to assist them in carrying out their duties.)

The provision of houses

Under the present Housing Acts Local Authorities have very wide powers of providing houses for the working-classes. They may purchase or lease existing houses, and adapt, improve, and furnish them. They may purchase land (compulsorily, if necessary) and build houses themselves, or they may simply purchase the land, make streets and sewers, and lease it upon condition that the lessees erect and maintain on it approved dwellings for the working-classes. They have powers not only to build dwelling-houses, but also to provide shops, recreation grounds, and gardens for the benefit of the tenants of the dwelling-houses. For all these purposes they may borrow the full amount from the State at the lowest rate at which the State can afford to lend. Any four inhabitant householders in the district may complain to the Local Government Board that the Local Authority has failed to exercise the above powers, whereupon, after a public inquiry, the Local Government Board may order it to do so.

In addition to conferring these powers upon Local Authorities the Housing Acts also make provision for the granting of loans by the State to societies and individuals erecting houses for the working-classes. Loans can be obtained by companies or private individuals for this purpose up to 50 per cent. of the value of the premises. Public Utility Societies (that is to say, coöperative or other societies registered under the Industrial and Provident Societies Acts and limiting their profits to 5 per cent.) may obtain such advance up to 66⅔ per cent.

In the aggregate relatively little use has been made of these powers, though in the few years immediately before the war the activities of Local Authorities in the way of building were rapidly increasing. The number of houses for which loans to Local Authorities were sanctioned in the years ending 31st March, 1911, to 1915, were 464, 1,021, 1,880, 3,335 and 4,408 respectively. These figures show an encouraging increase. But it still remained true that the number built even in the last year before the war was only a small proportion of the total required to make up the shortage of working-class dwellings.

THE IMPROVEMENT OF EXISTING HOUSING AND THE REMOVAL OF SLUMS

There are extensive powers for improving the standard of existing houses. Local Authorities have power to make by-laws for preventing overcrowding and ensuring a certain minimum of sanitation and convenience. The Housing Acts require the Local Authorities to cause inspections to be made of the houses in their area. If any dwelling-house it found to be in a state so dangerous or injurious to health as to be unfit for human habitation the Local Authority must make a closing order prohibiting the use of the dwelling-house for human habitation until it is rendered fit. If, after a time, the house has not been made fit, and is not reasonably likely to be or cannot be made fit, the authority must make a "demolition order."

In addition, in the case of houses under certain rentals which are "not reasonably fit for human habitation," the Local Authority must give notice to the landlord requiring him to do specified repairs, and if these are not done by the landlord the authority may do them and charge him with the cost.

In the case of a house which, though not in itself unfit, obstructs other houses, they may order it to be pulled down, paying the owner reasonable compensation.

Considerable and growing use has been made of the powers of

dealing with individual houses, particularly since the passing of the Act of 1909. Thus the number of houses made fit in this way at the expense of the owners was increased from 19,463 in 1911 to 67,065 in 1914. Though the improvement has been considerable and is encouraging, yet a great deal remains to be done. Many Local Authorities, in spite of pressure from the Local Government Board, failed to make any use whatever of their powers, and many have made quite inadequate use of them. The problem is closely bound up with the question of shortage of houseroom. So long as tenants have no alternative accommodation, Local Authorities will hesitate to close houses, even though convinced of their unfitness.

Where the powers of dealing with individual houses are inadequate owing to the whole area being so congested and so badly planned that only a complete clearance and rebuilding of the area will remedy the mischief, the Local Authority may prepare a scheme for that purpose. In that case compensation must be paid to the owners for the premises demolished, except in the cases of particular houses which could not reasonably be made fit for habitation.

The expense of purchasing whole areas (including often factories and other good buildings) and of clearing and improving them has been so great that schemes have been carried out in only very few cases. Only two or three schemes a year were submitted in the years before the war.

There is urgent need for devising some fair method of dealing with these plague-spots of our cities in some more economical way.

THE CONTROL OF BUILDING AND TOWN PLANNING

During the nineteenth century increasing control over the erection of new houses was established. Local Authorities were empowered (and in some instances required) to make by-laws for that purpose. In this way a control (varying with the different districts) was imposed over, for example, water-supply and drainage for houses, the materials employed in their construction and height of rooms. In consequence of these provisions a great improvement was obtained in the character of the individual houses erected by private enterprise, although considerable hardship and expense is alleged to have arisen in some cases from the inelasticity of the by-laws. (A special committee, under the Chairmanship of Mr. Stephen Walsh, M.P., is now considering the whole question of by-laws.)

Valuable though these provisions were in raising the standard of individual houses, they still left the planning and laying-out of areas to the accident of circumstances. No proper foresight was exercised in regard to the future development of a district. Areas were

used indifferently for industrial and residential purposes, to the detriment of both the manufacturer and the resident. Finally, houses were crowded on sites in dreary monotonous rows, to the sacrifice both of health and amenity.

In 1909 the first statutory provision on the subject of Town Planning was made in the Housing and Town-Planning Act. Power was given to Local Authorities, with the consent of the Local Government Board, to prepare a town-planning scheme as respects any land in course of development or likely to be used for building purposes. The subject of Town Planning is dealt with in a separate pamphlet.

IV. The Effect of the War

The effect of the war has been

(1) to increase considerably the shortage of houses;
(2) to suspend practically all work in connection with the closing and repairing of unfit houses and the clearing of slums;
(3) to increase the cost of building and the rate of interest on capital;
(4) to produce an acute shortage of building materials.

SHORTAGE

Since 1915 very few working-class houses have been built except in certain munition and shipbuilding areas. Even in these areas houses have only been built where absolutely essential and in insufficient quantities.

The Local Government Board have recently been making an inquiry from the Local Authorities of England and Wales as to the shortage of houses in their districts. They were asked to state the number of new houses which (*a*) were required now, and (*b*) should be built at the close of the war, to provide the necessary accommodation for the working classes in their districts. Up to date returns have been received from about 1,500 Authorities. They show a total of 170,000 in regard to (*a*), and 190,000 in regard to (*b*). Thus, if the war were to end at once there would be an immediate necessity for building between 300,000 and 400,000 houses.

DEFECTIVE HOUSES AND SLUMS

At the same time, owing to the shortage of labor and materials only the most necessary repairs have been effected. Local Authorities have been unable to issue Closing Orders in the case of defective houses, or to give notice to owners to repair. In 1915 the Local

Government Board issued a circular to Local Authorities suggesting that

"whilst not unduly relaxing the standard of public health administration in their area, Local Authorities should, as far as possible, refrain from requiring the execution of work the cost of which has to be borne by private individuals unless the work is urgently necessary for the removal of nuisances or the protection of health."

The special circumstances due to the war have made this necessary, but the general effect has been that the quality of existing houses has steadily deteriorated. Very few slum areas have been cleared or improvement schemes started.

THE COST OF BUILDING

The cost of building rose considerably during the ten years before the war. Since the outbreak of war the increase has been very great, and it is now nearly twice as great as it was before the war. And it is calculated that even when peace is restored the cost will still be half as much again as it was in 1914. Thus, a house which would have cost £200 before the war will probably cost at least £300 after. Further, owing to the immense amount of borrowing for war purposes the rate of interest on capital has very much increased. Before the war the State was lending money for housing purposes to Local Authorities at 3½ per cent., while now it can only lend at 5½ per cent. In this connection it must be borne in mind that as the result of the Increase of Rent and Mortgage Interest (War Restrictions) Act, 1915, the rents of houses in existence before the war have remained at the same level as they were in 1914.

SUPPLY OF MATERIALS

Owing to the great demand for timber and the scarcity of labor for brickyards and other building material industries, the supply has been very much reduced. This whole question is being investigated by a special committee.

We now propose to show how important it is to make early arrangements for the building of the large number of houses required in the years immediately after the war, and then to show the lines upon which our policy must be framed in order to secure that the houses are in fact built.

V. The Need for Action

Thus the housing situation, bad as it was in 1914, is far more serious as the result of the war, and the importance of dealing rapidly and effectively with the problem after the war cannot be exaggerated. Bad and inadequate housing has serious effects on both social and industrial conditions. It is one of the chief causes of the spread of disease, of infant mortality, and of physical deterioration, and also of social and industrial unrest. On the other hand, to build a large number of new houses is essential for increased food production and rapid demobilization, and will assist in preventing unemployment after the war.

Effect of Bad Housing on Health and Life

It is well known that overcrowding and bad housing conditions have a very serious effect upon health. Where there is confined space, insufficient air, lack of sunlight, dampness, bad drainage or overcrowding, disease spreads more rapidly and there is a serious increase both of infant mortality and the general death rate. Thus, Dr. Mair, who made a special investigation into the subject, found that the number of deaths from pulmonary disease and the diseases of young children were half as much again in back-to-back houses as in ordinary dwelling-houses.

The effects of overcrowding and insanitary dwelling-houses upon tuberculosis are notorious. An examination of the reports of the London Tuberculosis Dispensaries shows that one-half of the patients under the care of these institutions live in dwellings with one or two rooms only. In the report of one of these dispensaries we find:

"Only 134 out of 766 patients suffering from definite signs of pulmonary tuberculosis occupied separated rooms at night time. The others were sleeping in rooms shared by one or more persons, and of these only 179 slept in separate beds, the remaining 453 actually sleeping in the same beds as one or more members of the family."

What bad housing conditions mean in individual cases may be illustrated from the following quotation from the report of another dispensary:

"At No. 181 Mrs. Simms will be found, but she is in such deep trouble that we hardly like to knock. For this morning early, Simms woke up, and coughed and died. Uninsured, with no savings or

earnings, there poor Simms lies, and the five small children stand round, looking wide-eyed and wondering on their first sight of Death. A starved fire flickers in the grate. The windows are not merely closed, but round the edges of each sash is pasted tight a double strip of paper. For through the old and loosely-fitted woodwork come otherwise piercing draughts on winter nights. These windows have for long been sealed with paper so as to keep out both winter draughts and summer breezes. The paper was fixed by the preceding tenants, who when they were evicted were found to number fourteen in all. Fourteen souls in two small rooms with sealed windows. The seeds of Death were sown thick and fast on the floors of No. 181."

Bad housing conditions affect not merely physical health but the general standard of life. How is it possible to keep a home clean and comfortable if it consists of two rooms only, while the family number fourteen? How is it possible to maintain decency when there are insufficient bedrooms to separate the sexes, or when—as is not uncommon in some of our towns—there is only one sanitary convenience to six tenements?

HOUSING AND INDUSTRIAL UNREST

Last year a Royal Commission was appointed to inquire into the causes of Industrial Unrest. Great Britain was divided into eight areas and separate Commissions examined the causes of unrest in each of these areas. In their reports the Commissioners in seven out of the eight districts *specifically drew attention to the fact of insufficient and bad housing being a cause of unrest.*

Thus, those for the North-Eastern area say that they "have thought it right to point out that the housing question was put forward as one of the general causes of industrial unrest, which should in the national interest be dealt with at an early date." The report for the Yorkshire area emphasizes the necessity for a large program of social reform after the war, "including especially sufficient increase in and improvement of housing accommodation." And the Commissioners for Wales say "it is clear from the large amount of evidence received that unsatisfactory surroundings and inadequacy of housing accommodation is a factor of great importance in the causation of unrest."

FOOD PRODUCTION AND THE RETURN TO THE LAND

We have come to realize the importance of increasing the production of home-grown food. At present we are not getting the full

produce of the land owing to lack of labor. But when the war is over it will be possible to have a sufficient supply of labor provided that the conditions are such as to attract the returning soldier back to the land and give him reasonable prospects. But men are not going back to the land whatever the attractions of an open-air life unless they are reasonably sure of decent and healthy homes. While married soldiers, who were formerly on the land, in many cases have cottages to return to, single men who are desirous of marrying will be unable to find homes in the country districts unless effective steps are taken. It must be remembered, too, that the policy of plowing up two million additional acres of grass land will necessitate increased labor and therefore more cottages. Thus it is essential that a large number of good cottages with reasonable gardens should be built in the country districts as early as possible.

DEMOBILIZATION AND UNEMPLOYMENT

At the end of the war we hope to see the soldiers and sailors demobilized as soon as possible, both for their sakes and our own. Apart from military exigencies and the difficulties of transport there will be two questions having a very important bearing upon the speed with which demobilization can take place. One is the question whether there are houses for the soldiers to go to when discharged. The other is whether there is employment available. The transition from a war to a peace basis will cause, at the least, very great dislocation in industry and finance, and at the same time there may be considerable unemployment.

It will not be possible to reëstablish quickly those industries for which raw materials are scarce, or have to be imported. Shipping will be short and will be largely occupied in the transport of troops and food. But building materials can be produced almost entirely in this country. It is true that there will be a shortage of timber, but experiments are now being made for reducing to a minimum the quantity of timber used in the building of cottages. In all probability it may be said that at least nine-tenths of the necessary materials for building, such as brick, cement, iron-mongery, slate, tiles, can be produced in the country.

If schemes for building as many of the necessary houses as practicable were ready to be put into operation immediately after the declaration of peace, it would materially assist in solving the unemployment problem. Work would be provided for brickmakers and others engaged in the manufacture of building material: for bricklayers, masons, carpenters, joiners, and plumbers, and all others

taking part in the actual building of houses. It would also provide direct employment for a large number of workers in roadmaking, sewering, and estate development; and indirect employment to others in the furnishing and other trades. It is not exaggerating to say that, having regard to the large number of houses required, work might be provided in this way for over one million men, and this would be the largest single contribution to the unemployment problem. The State must see that its citizens are maintained after the war. It will be much better to do this by employing them on vitally necessary and useful work than by keeping them when no longer wanted in the Army or granting them insurance doles to walk the streets.

A proper housing scheme, therefore, will not only fill an urgent need, but will accelerate demobilization and reduce unemployment. If a further reason be wanted for a progressive housing policy there is one more convincing than all others. It is that as a bare measure of justice, every man who has given of his best in fighting or working for his country should be regarded as entitled as of right to a decent home in pleasant surroundings. As Mr. Walter Long, when President of the Local Government Board, said in reply to a deputation on "Housing After the War":

"It would indeed be a crime—a black crime—if reading as we do the wonderful accounts of the sufferings which our heroes have to undergo in the trenches . . . we sat still now and did nothing. . . . To let them come from horrible water-logged trenches to something little better than a pigsty here would indeed be criminal on the part of ourselves, and would be a negation of all we have said during this war, that we can never repay these men for what they have done for us."

Or as Dr. Addison, Minister of Reconstruction, puts it: "Those who have suffered the hardships of war and the long bitterness of separation deserved better of us than to have to pass their lives in a slum."

VI. The Housing Policy After the War

We have shown that the situation at the end of the war will consist in a shortage of housing amounting to between 300,000 and 400,000 for England and Wales alone, and in the existence of large numbers of slum dwellings and slum areas. This housing problem

must be solved as early as possible if we are to secure homes for returning soldiers. The solution is also essential if we are to prevent industrial unrest, to secure adequate employment, and to remove one of the greatest causes of infant mortality and the spread of disease.

What steps are the Government taking to deal with this difficult situation?

The whole question is being carefully considered by both the Local Government Board and the Ministry of Reconstruction, each of whom have strong advisory committees on the subject. In some directions active steps have already been taken, while in others schemes are being formulated. At the outset it is important to emphasize that the building of new houses is the most urgent matter. It is no good thinking of clearing slum areas or of issuing Closing Orders in the case of individual bad houses unless there is sufficient alternative accommodation.

LOCAL GOVERNMENT BOARD INQUIRY

Therefore, the first step was to ascertain where the new houses were required. For this purpose the Local Government Board, on 28th July, 1917, sent an inquiry form to all the Local Authorities in town and country asking them to state how many houses will be needed in their districts. We have shown that returns have been received from over 1,500 authorities showing an immediate shortage of 170,000, which will be increased by another 190,000 on the conclusion of the war. This affords a good basis for preparing plans, but, of course, it must be remembered that while many Local Authorities have made adequate returns, in some districts the inhabitants feel that the Local Authority has under-estimated the shortage, while one-sixth of the Authorities have made no returns at all. Probably the Authorities in some of these cases have been awaiting a decision as to the form and extent of the financial assistance which was to be given. This has now been announced.

It should be added that 900 Local Authorities have reported that they have already prepared, or are in course of preparing, or are willing to prepare schemes for the erection of more than 150,000 houses in all.

The President of the Local Government Board has stated recently that:

"All were conscious of the terrible shortage of houses and the fact that the private builder could not be relied upon to make good the deficiency. Hence they could only turn to the Local Authorities."

As we showed, the financial difficulties, owing to the increased cost of building and rate of interest, will be considerable.

It was decided by the War Cabinet in July, 1917, that substantial financial assistance would be given "to those Local Authorities who are prepared to carry through without delay, at the conclusion of the war, a program of housing for the working classes which is approved by the Local Government Board."

In a circular issued by the Local Government Board it is stated that this assistance is to take the following form. An annual grant is to be made for not less than seven years sufficient to relieve the Local Authority of three-quarters of the estimated annual loss on the housing scheme. At the end of that time the property is to be valued, and three-quarters of the excess of the amount of the loan outstanding over the then value of the property will be met by the State. Briefly, therefore, in the case of approved schemes the State will bear three-quarters of the loss and the Local Authority the remainder. But there are some districts where it would be a serious burden for the Local Authority to have to bear even a quarter of any loss. In all cases where one quarter of the estimated annual deficit would involve the levying of a rate of more than a penny in the £ the Local Government Board is to have discretion to increase the Government grant. But the loss to be borne by the Local Authority in such case must not be reduced below the produce of a rate of a penny in the £.

This assistance is only to be available for a *limited time after the war* and subject to the condition that in all ordinary cases building shall be commenced within two months, and completed within twelve months, from the date of the Local Government Board sanctioning the loan for the scheme.

As regards the loans for the schemes it is stated that "any loans by the State for the purpose of assisted schemes would be made at the full market rate of interest current from time to time, and not at the preferential rates ordinarily allowed for housing loans, in order (1) that the whole of the State assistance may be given under one head, and (2) that Local Authorities may be encouraged to borrow on their own credit rather than to have recourse to State capital funds." And again, the Treasury ask that "It may be made quite clear that the precise date at which the execution of any schemes approved by the Board can be commenced must depend on circumstances which cannot at present be foreseen, and that the financial position may be such that it may be necessary to give precedence to the more urgent cases, even to the exclusion for the time being of the less urgent."

In the circular Mr. Hayes Fisher expresses the hope that in every case where there is need for houses not likely to be met by any form of private enterprise the Local Authority will see that a housing scheme is prepared with as little delay as possible.

Where the Local Authorities, in spite of an admitted need, fail to take adequate steps Mr. Fisher has plainly hinted in public speeches that they will be supplanted by some other authority who will see that houses are built.

PLANS AND ARRANGEMENTS OF THE HOUSES

As regards the plans for the construction of the houses and the laying-out of the land, the Local Government Board have recently issued a memorandum containing advice to Local Authorities and plans.

It is not possible to quote more than a few extracts from this interesting document, but the following quotations show that in sanctioning schemes the Local Government Board will require a high standard to be adopted:

"The type of dwelling required in ordinary circumstances is the self-contained house. Occasionally there may be a demand for accommodation of a limited character—*e.g.*, accommodation for newly-married couples or for aged persons without a family—and in such cases it may be desirable to meet the demand by the provision of two-story houses consisting of two self-contained dwellings; but, generally, it would seem desirable to avoid the erection of blocks of buildings containing a series of tenements.

"It is desirable that simplicity of design and economy in construction and general arrangements should be aimed at, but it would be well to bear in mind that houses erected by a local authority ought generally to be such as will be a model or standard for working-class dwellings which may be erected by private persons.

"The house should be designed to meet the reasonable needs of the prospective occupants, and the internal arrangements will, no doubt, be influenced to some extent by custom of the locality and by the habits of the population."

In order that no stone may be left unturned to secure the best advice obtainable both as regards economy of construction (which is particularly important in present circumstances) and the best possible types of plans, special inquiries have been instituted. To deal with the first point, the Local Government Board have appointed a committee under the chairmanship of Sir Tudor Walters, M.P., who are asked:

"To consider questions of building construction in connection with the provision of dwellings for the working classes in England and Wales, and report upon methods of securing economy and despatch in the provision of such dwellings."

A Sub-Committee of this Committee is making practical experiments into the methods of cheapening construction and of getting over the difficulty with regard to the shortage of timber and certain other materials.

By arrangement with the Local Government Board the Institute of British Architects has been conducting a competition for the best types of cottage plans. For this purpose the country has been divided up into various districts and plans for each of the districts asked for, so that regard may be had to special local requirements and supply of materials. Further, it has been recognized that in considering the plans of new cottages, and particularly the internal arrangements, regard must be had to the convenience and comfort of the housewife, and that the best way of ensuring this was to inspect various types of houses and to consult with the housewives themselves. For this purpose, therefore, a Women's Committee has been appointed by the Minister of Reconstruction, with Lady Emmott as chairman, to consider the whole question from the point of view of the housewife.

ARRANGEMENT OF STREETS AND BUILDINGS AND LAY-OUT OF ESTATES

The Local Government Board memorandum, already quoted, draws attention to the necessity for securing a good lay-out of land which is being developed by Local Authorities. In this connection regard must be had both to health and amenities, as the following extracts show:

"The arrangements of houses on the site, and to some extent the design of the houses, will depend upon the size, situation, and character of the land, but the site should be so utilized as to secure ample open space in connection with the houses and the best possible aspect for the living-rooms. The latter point should be borne in mind in fixing the direction of any new streets required to be constructed.

"Overcrowding of houses on a site should be avoided. Although some regard must be paid to the cost of the site and the extent to which street works will be necessary, the number of houses to be erected on each acre of land should be kept within strictly reasonable limits.

"It is desirable that houses should be set back from the street-line,

so as to allow small gardens or forecourts to intervene between the houses and the streets.

"It is undesirable that long rows of houses without a break should be constructed; and, as a rule, the number of houses in a continuous row should not exceed eight or ten. Long rows are open to objection, not only because overcrowding of houses on the site may be the result, but also because they give a monotonous and depressing appearance and prevent easy inter-communication between streets."

No definite rule has been laid down as to the number of houses which should be allowed to be built on a given area of land. But in the circular of the 18th March, 1918, mentioned above, it is stated that "the aim should be to provide that in ordinary circumstances not more than twelve houses (or in agricultural areas eight houses) should be placed on an acre of land wherever this is possible without materially increasing the cost of the scheme. This will give sufficient land for gardens, allotments, and open spaces."

PRIVATE ENTERPRISE

It should be pointed out that while the great urgency of the problem will make it necessary to rely on Local Authorities for providing a large proportion of the houses required there is no proposal to rule out private enterprise. On the contrary, it has been definitely stated by the Local Government Board that:

"the complete solution of the housing problem is not likely to be accomplished except with the coöperation of private enterprise, including public utility societies, and that in order to secure the full advantage of their help it may be advisable for the State to offer them assistance in one or other of the directions which are now under the consideration of a Conference sitting at the Local Government Board."

No definite statement can yet be made as to the form of assistance which could be given to private enterprise, or what conditions would have to be imposed. But a Committee has been appointed by the Minister of Reconstruction, with the Right Hon. Henry Hobhouse as chairman, "To consider and advise on the practicability of assisting any bodies or persons (other than Local Authorities) to build dwellings for the working classes immediately after the war, whether by means of loans, grants, or other subsidies, and whether through the agency of the State or Municipal Banks or otherwise."

SOME OTHER IMPORTANT COMMITTEES

We have shown that the supply of building materials and their price will be a most important factor in housing after the war. The Ministry of Reconstruction, therefore, has appointed a Committee, under the chairmanship of Mr. J. P. Carmichael, to inquire into the whole question of supply and price of materials.

Acquisition of land is also an important matter in connection with housing, and there is a Committee of the Ministry of Reconstruction under the chairmanship of Mr. Leslie Scott, K.C., M.P., inquiring into the methods of acquiring land and of valuing it so as to insure that land can be obtained at reasonable prices.

As already stated, there is a Committee on the question of by-laws under the chairmanship of Mr. Stephen Walsh, M.P.

A Committee, too, has recently been appointed (of whom Lord Hunter is Chairman) to consider the legislation embodied in the Increase of Rent and Mortgage Interest (War Restrictions) Act, 1915, and its amendments, in relation to housing after the war, and to recommend what steps should be taken to remove any difficulties which may arise in connection with it.

While it is necessary to regard the provision of new houses as the first call upon the efforts of Local Authorities, it must be remembered that it will be necessary also to deal with slum dwellings and slum areas.

Among other matters under consideration are possible amendments of Part I. of the Finance (1909–10) Act, of Rating, and of adaptation of middle-class houses to meet the requirements of workers.

CONCLUSION

It will be seen that the Government is taking active steps to prepare to deal with the vast housing problem which will arise at the conclusion of the war, but it cannot be stated too strongly that much of the success of the schemes under consideration will depend upon the active coöperation of the people generally. It is important that all citizens should be fully alive to the largeness of the task to be accomplished. The matter should be discussed and considered from every point of view. Local considerations should be taken into account, and where necessary pressure should be brought to bear upon members of Local Councils where it is felt that they are not sufficiently active. It is only by the coöperation of all that the ideal will be achieved.

APPENDIX B

REPORT BY MINISTRY OF RECONSTRUCTION ON RAW MATERIALS AND EMPLOYMENT

The supply of raw materials for industry is a fundamental problem of reconstruction. Demobilization, resettlement, the revival of industry both for home consumption and for export, all depend upon an adequate supply and a reasonable distribution of raw materials. When the men and women who have been doing munition work have been discharged and when the men return from the Army, it will be absolutely essential that cotton and wool and leather and iron ore and other raw materials should be obtainable in large quantities.

No one can foresee exactly what the situation will be for some months to come, but we can make estimates of our probable needs and we can make provision for possible dangers of the transition from war to peace. The problems interlock one with another. One industry can go ahead only if others also are at work, and all our British industries are dependent ultimately upon the supply of raw material from abroad, and, therefore, upon our ships. But we must concentrate our attention here upon the material, leaving the position with regard to shipping for consideration elsewhere.

We shall pass by for our present purpose all raw material which is not imported into the United Kingdom. Some of our ore and some wool is produced here; and its production is largely dependent upon the amount of labor available. The same is true of brick and cement, the raw materials for the building trades. But as soon as demobilization begins we shall probably have enough labor to put into our home production, and therefore it is only *imported* raw materials which constitute a problem. It is possible, however, to state that the situation will not be so difficult as it was, until a few months ago, expected to be. The supply of raw materials is not likely to be seriously deficient, even in regard to those industries for which it will fall short of the normal supply. What is needed is careful supervision to avoid waste rather than any drastic measures of Government control.

There are many different aspects of this problem of the supply of imported raw material. Our financial standing as a nation is de-

pendent upon imported raw material for the production of goods for export. Our cotton trade, for example, is a great part of our export trade, and cotton manufacture in England is entirely dependent upon imports. Again, if we do not secure a supply of imported raw material for the boot and shoe trade, or the woolen trade, our manufacturers of machinery will be unable to find sufficient orders.

Employment, however, is a more urgent problem than the problem of finance and commerce; and employment depends upon imported raw material. It is therefore only from this point of view that we shall here attempt to describe the situation with which we shall be faced during the transition from war to peace. There were about 2,300,000 men and 700,000 women in the metal and chemical trades during the War. Most of these women and about 200,000 of these men will be leaving their occupation and seeking for non-munitions work. About three or four million men will come back from the fighting forces; and there will be a considerable transference from one industry to another. But the industries which now have less labor than they had in July, 1914, are precisely those which need imported raw material. For example, the building industry has about 460,000 men less than it then had, the textile industries 200,000 less, the paper and printing industries 100,000 less. Those numbers show that there will be work for all returning men and ex-munition workers *if we have raw material.* We need cotton, wool, timber, wood-pulp, and many other materials from abroad. That is the general nature of the problem: but we can be yet more precise; and for this purpose it will be necessary to review shortly the probable position at the end of the War in the chief industries which depend upon imported raw material.

METAL TRADES

Our Iron and Steel and Engineering industries depend upon about 7,000,000 tons of iron ore imported in a year. In 1913 out of the 7,442,249 tons imported 4,714,039 tons came from Spain, and since the proportion of ore in our imports has been maintained during the War for the sake of munitions, there will certainly be no shortage. If, however, the German demand revives after the War, and unless the present control is retained, the price of Spanish ore may rise considerably.

The problem on which employment depends in the engineering and allied industries is that of price and distribution. Great numbers of men and women will naturally leave the metal trades now that the urgent need for munitions has ceased; but because of the

need for engineering products throughout the world there will probably be more employment in engineering than there was in 1914. The various metal trades then employed about 1,634,000 men and 170,000 women; and, so far as the supply of material goes, the only problem will be that of the price of imported ore.

With regard to the supplies of material for the metal trades, the Minister of Reconstruction spoke as follows in the House of Commons, on November 12th:—

". . . There has been a great increase in our capacity for the utilization of home ore and arrangements are being made by the Shipping Controller which will render it possible to import as large a quantity of foreign ore as was imported prior to the War. It is proposed to release iron and steel forthwith. The difficulties which may arise owing to the fact that through the exigencies of war the price of steel now stands at an artificial level have not been overlooked, and it is intended to continue orders fixing for a period a maximum price for steel, though this may involve continuing some measure of Government assistance for that period.

"With regard to other metals, I am glad to be able to assure the House that there is a sufficient supply available to render it possible to release some from control now and nearly all the rest within six months. I am convinced after a close survey of the position that we shall be able to meet the demands which reconstruction will make on our resources. But while I am satisfied that there will be enough for all if it is equitably divided, there must be no selfish attempts on the part of individuals to secure more than their share, and for this purpose it may be necessary to take precautions against hoarding.

"Steps are being taken in the meantime to secure the release of much usable stock and to grant further supplies of metals to those industries now limited to a fixed ration. Great discrimination will be required in the discharge of this duty, but the various Controls will call into counsel representatives of the trades concerned and ease their own task by setting Industry to govern itself."

As regards the non-ferrous metals, a very small amount of tin or copper, for example, gives employment to great numbers, for many industries use a little of each of these metals, and without a supply of them many in the engineering or brass-working trades would be without employment. There is, however, no reason to fear a shortage of non-ferrous metals, and it remains only to supervise the distribution.

TEXTILE INDUSTRIES

Our great *Cotton* industry is entirely dependent upon imported raw materials. Various kinds of raw cotton come to us from the U. S. A., from Egypt, India, Brazil, and West Africa. In 1913 our cotton mills in Lancashire consumed 3,281,509 bales of American cotton and 400,000 bales of Egyptian cotton.

The number of spindles at work on August 31st, 1913, in the United Kingdom was 55,653,000, which was 39 per cent. of all the spindles in the world.

In July, 1914, cotton spinning and weaving employed about 274,000 men and 415,000 women; but in 1918 there are only 157,000 men and 379,000 women employed. Therefore, 117,000 men and 36,000 women less than in 1914 are dependent upon our present supplies, and of those many are working on short time. Will those who have gone out of the industry and wish to return find a place as soon as the War is ended? Will the manufacturers begin at once to work their machines fully?

It is unlikely that any difficulty will occur in finding a market for our cotton goods, although it is true that some other countries, particularly Japan, have enlarged their place in the world-market during the War. The general shortage of the last few years in the supply of cotton goods has created a large demand, and therefore the problem of finding employment in the cotton trade reduces itself to a problem of the supply of raw material. First, the allocation of immediately available supplies will be necessary, for even before we import more we can use our stocks more rapidly as soon as peace is secure. During the War the Cotton Control Board has regulated the consumption of raw material, and it will probably continue to control the situation during the transition to peace. The Board consists of representatives of employers and workers in the Cotton industry, together with some Government officials. It has introduced the principle of payment to those workers who are put on short time owing to a lack of raw material; and it practically insures the workers against unemployment and under-employment.

The available supplies will probably be increased very rapidly now that peace is in sight and we can release ships from carrying munitions of war; and the remaining problem of allocation to the different mills will then become easier. There will be a world demand for raw cotton from America, but so long as the price is not prohibitive there should be enough to supply our industries. The supply in Egypt is less than it was in 1914—about 800,000 bales in the place of one million—since wheat had to be grown in Egypt in-

stead of cotton; but there is a Control Commission in Alexandria which will presumably continue to exist for a short time after the War in order that the most may be made of such supplies as exist. In the case of cotton, the shortage of supply in other countries will have to be considered, and that problem we shall refer to below. But from what has been so far said it will be clear that adequate employment in the trade cannot be secured unless there is some supervision and control of supplies.

The *woolen and worsted* industry, chiefly in Yorkshire, employed in July, 1914, about 134,000 men and 170,000 women. It now employs about 100,000 men and about the same number of women as in 1914. There is therefore not much room to take on more workers; and the raw material now used for army purposes can probably be used for peace production. But we must allow for the fact that the returning armies in all countries will need civilian clothing, that stocks of clothing are low and that foreign markets are clamoring for woolen goods. Clearly, therefore, if material is adequate there may be more employment in the industry than in 1914. No special problem arises except in regard to future supplies and prices and the possible danger to the trade if the wool supplies of the world are competed for after the War. Other countries are in desperate need of wool; and we are now protected by the circumstances of the War from feeling the effect of an abnormal world-shortage of wool. Therefore, although there is no immediate danger of unemployment in this trade owing to lack of raw material in England, some kind of international organization may be necessary soon after the War.

We have now the Wool Control Board, which will probably continue its operations during the transition from war to peace; and there will be the Wool Council to look after the interests of all concerned.

BOOT AND SHOE INDUSTRY

The problem for the Boot and Shoe industry will be the supply of hides from America, of calf-skins from the Continent, of goat-skins from India and South America. Our net imports in 1913 were as follows:—hides worth £3,000,000, skins worth £1,749,000, and leather worth £5,057,000. The quantities in 1913 of our net imports of hides were 727,000 cwts., and of leather 771,000 cwts.; but in 1915 the net imports had risen to 1,375,000 cwts. of hides and 1,316,000 cwts. of leather. Special efforts had been made to secure leather for army boots, not only for our own soldiers but for our Allies, and some of the stocks accumulated may be suitable for civilian needs.

Probably there will not be any lack of heavy leathers, although light leather and skins may be deficient in quantity.

The trade employed about 110,000 men and 56,000 women in 1914, and now employs about 81,000 men and 71,000 women. Many of the men, however, are unskilled substitutes, and they will probably be replaced by skilled men, for the unskilled man may have been able to work at the standardized patterns of Army boots and civilian war-time boots, but his place will have to be taken by the skilled man when leather is available for the better class of boots after the War. There should be so great a civilian demand that probably all men in the boot and shoe trade before the War will easily find employment. The transition to peace production will be very rapid and there will probably follow a time of good employment—possibly an expansion of the numbers employed in 1914. The raw material problem is reduced to maintaining generally the present supply of hides which are required for the tanning of sole leather, and obtaining more of the lighter dressed upper leathers.

TIMBER

The housing program for after the War depends partly upon the supplies of timber; and, of course, the building trade cannot resume its full activities until we have timber enough in the United Kingdom. Building has practically ceased during the War. In July, 1914, 758,000 men and 5,900 women were employed, and there are now employed only about 400,000 men and 25,000 women. Those who have left for the Army or for munitions will desire to come back, and the urgent need for houses makes it a national interest that building should revive speedily. We should need about 100,000 standards of timber a month, without regard to pit-props and other uses for wood. We have now on hand only enough for three months' use under peace conditions.

The supply depends upon shipping, and this may very well be available; but we have to be on the look-out to secure what timber can be had. In Sweden and Finland there are about 2,000,000 standards; and some 600,000 standards are sawn and ready for shipment from Canada, Mexico and Scandinavia.

The Minister of Reconstruction, in the speech already referred to, said:—

"The position as regards timber is difficult. It is bulky and our tonnage has to be economized, but apart from this there is little doubt that events in Russia, which has so far been our largest source of supply, will seriously affect the situation. Arrangements are in

hand to provide supplies from overseas, but it is clear that continued felling will be necessary at home for some time to come, and with this need in view woods have been purchased ahead by the Timber Supplies Department."

PAPER-MAKING

The important raw materials for Paper-making are wood-pulp and Esparto grass. We were using before the War about 81,500 tons of wood-pulp a month, but only one-sixth of that amount is now available in the United Kingdom. The Paper Controller was compelled to restrict the use of paper and the import of pulp; and other countries have set up industries in paper and printing since the War.

In the paper-making and printing trades in July, 1914, there were employed about 260,000 men and 147,000 women, and now there are employed 160,000 men and 143,000 women. The restricted employment is largely due to the lack of raw materials; and there is urgent need for an increase in supply before the men of these trades are demobilized from the Army.

OTHER INDUSTRIES

The industries shortly reviewed above are not the only industries dependent upon imported materials. In the first place, material such as rubber takes little tonnage and gives a large proportion of employment as compared to some other materials, and yet the supply may be deficient in view of the immense demand consequent on the War. And rubber is important not only for those who work at rubber manufactures, but because so many other trades depend upon or are closely connected with its use. Motor and cycle makers, for instance, are in that position; and these trades before the War employed about 118,000 men and 10,500 women.

The food production industries are largely dependent upon imported raw material; and quite apart from the maintenance of food supplies the import of sugar, cocoa and other such articles is necessary for the employment of thousands of workers.

In this connection we may note the peculiar problem of women's employment. Most women in industry before the War were employed in the textile, clothing, and food-production industries; and these are precisely the industries which are most dependent upon imported raw material. Now, during the War about a million more women have come into industry than were in industry in 1914. Many of these went from dress-making and millinery, many from

domestic service, many from their home-work. The number of women employed outside their own homes and exclusively of domestic service in 1914 was 3,276,000. It is estimated that about 400,000 during the War have left domestic service and dress-making in order to enter industry, and at the close of the War about 4,809,000 women were employed in industry and commerce. But even if those who were employed at home and in domestic service return to their former work, there will still be a surplus of women in industry on the pre-war basis. If men are unemployed, work may be found in road-making or in building or in other "heavy" occupations. But none of these occupations provides employment for women; and, indeed, the truth is that there is no "stop-gap" occupation which may be used if great numbers of women are unemployed. The only immediate remedy for possible unemployment is the expansion of the demand for women in the careers they normally followed before the War.

The supply of imported raw materials is therefore of the first importance for the employment of women. The more textile and food material we have, the more easily we shall be able to find places for all the women who wish to continue in the mills and the workshops.

Again, we cannot afford to neglect the situation outside the United Kingdom, if we are to understand the problem of raw materials. The sources of our supply are in many instances the same as the sources of supply for France and Italy. France, for example, imported 346,160,000 kilograms of raw cotton in 1912, and Italy 214,086,000 kilograms. France had in 1912 about seven million spindles and Italy four and a half millions. According to the 1906 Census the number of persons employed in France in the Cotton industry was 167,000, and in the Clothing trades, which depended on Cotton and Wool, about 938,900 were employed. The textile industries in Italy in 1911 employed only 30,780 persons, so some of the Italian imports must have gone elsewhere to be manufactured. It is, however, obvious that the supplies of cotton should not be thought of simply in the terms of our own needs. We owe it to our Allies to see that they too have employment. And even if we allow for destruction of machines and men during the War, it is clear that in those countries also the Governments will desire raw material to give employment before they demobilize their armies and discharge their munition workers.

We should also consider the position of Germany, should she be without raw material for the textile industries. In 1913 Germany imported cotton worth 600 million marks and wool worth 400 mil-

lion marks. In Saxony, where the textile industry is chiefly carried on, in 1912 there were 255,766 persons employed in various textile trades. They now have no cotton. But if we want them all to contribute to the restoration of devastated territories, we shall have to give them employment. Whatever policy, therefore, is adopted, full consideration must be given to the position of the various nations.

To leave the situation uncontrolled might be disastrous. Of course, there may be enough material to go round; it may be that no one will try to "corner" supplies; and it may be that prices will not rise rapidly as a result of competitive buying. But we cannot rely upon merchants loving one another; still less can we rely on their loving the manufacturers. Therefore, without being unduly suspicious, we may have to make preparations for supervision and control of the supplies of raw material on an international scale.

GENERAL CONCLUSIONS

The important point which must be realized is that the normal organization of trade has been so disturbed by War conditions that the supply of raw materials cannot be left to depend upon the operation of forces at work before the War. The transition from war to peace adds new problems to those of supply during the War; and for this reason the Government has given special consideration to the question of raw material supply. The first danger to be avoided is a general scramble. But this involves some Government control or supervision, to be gradually relaxed as the supplies become more adequate. The control will exist only where there is a shortage of supply or if there is a shortage of ships; and it will exist only for the assistance of the industries in the general interests of the nation. The next step must be to secure that materials are provided for the industries somewhat in advance of the demobilization of men from the Army or the discharge from war work. The Government will therefore hasten the importation of material in order to shorten the period of demobilization.

In view of the danger of unemployment, special consideration must be given to those trades which give employment to a large number of persons. Cotton, for example, may have to take precedence of timber. And secondly, if great numbers are employed in any trade on raw material which does not take up much tonnage, some precedence should be given to such raw material. The principle, therefore, according to which we must allocate our tonnage for imports of raw material must involve a consideration of employment.

But the problem cannot be solved by simply counting the number employed in one industry, since the raw material for one industry

may set going many other subordinate trades. From this point of view timber may be more important than cotton, if the building trades can set going all dependent trades such as furnishing, sanitary engineering, and the rest.

It will be understood that it is no part of our purpose here to decide which trades should take precedence or which imported material will employ most labor. It is sufficient if it be recognized by the public that the problem is both urgent and very complex. It is likely, as we may learn from our English habits, and, indeed, from the history of all successful administration, that the organization to control the situation must be tentative at first and flexible enough to be modified as the situation changes. We cannot have a *Code Napoléon* for raw materials.

THE ORGANIZATION OF CONTROL

How is the allocation of tonnage and the distribution of material among the trades to be done? The Government has established a *Priorities Committee* of Cabinet Ministers on the model of the present War Priorities Committee. This will be the ultimate authority for allocating raw materials; and it will naturally see that the needs of the State take precedence of the requirements of industry; for example, in the case of material for building.

Secondly, a *Standing Council* has been established consisting of leading men in industry and commerce, together with representatives of labor and of the departments chiefly concerned. This Council will advise the Cabinet Committee on the allocation of tonnage to the different materials and the distribution of them to the industries. It will practically decide on the amount which industry can have.

The Standing Council will naturally take account and make use of the organization for the control of raw material which already exists.

During the war period the principal of raw materials of industries have been in various ways under strict Governmental control. This control has been vested for the most part in three departments:—

Ministry of Munitions	Metals and ore.
War Office	Wool, hemp, flax, jute, hides and skins, and tanning materials.
Board of Trade	Cotton (and miscellaneous).

The control of materials required for building has been dis-

tributed as follows: Ministry of Munitions, steel and bricks; War Office, cement; the Timber Controller (working under the direction of the Board of Trade), timber.

The central direction of all these control departments now lies with the newly constituted Standing Council which meets at the Ministry of Reconstruction, 2 Queen Anne's Gate Buildings, S. W. This Council, which is responsible to the Committee of Cabinet Ministers (with offices at 11, Pall Mall, S. W. 1), will be charged with the decision of all questions relating to the priority and the allocation of materials in the Reconstruction period, and will determine whether, in any given material control is necessary, and if so, to what extent and in what form. It is hoped that such control as may be necessary may be gradually more and more devolved upon organizations representing the trades concerned. At present it is arranged that the Control Authorities which have, during the War, controlled particular materials should "carry on" under a general instruction that applications for materials should be considered by them sympathetically and upon a new basis. The Standing Council has been in almost daily session since it was formed; but it is obvious that an estimate, both of the requirement and supply of materials, can only be formed after a very wide and careful survey. Pending the completion of such a survey, it is possible to speak only in a very general fashion as to the probable situation with regard to the supply of materials in the immediate future, and any statement must be necessarily of a very guarded character.

The industries themselves will provide organizations for advising on the demand for material among the firms concerned. There will, therefore, be *Trade Organizations*—Industrial Councils or Committees in each industry—whose advice will be sought by the Government when the controlling authorities are considering the needs of this or that trade.

Such is the organization; but in order to understand its working it is necessary to reverse the order we have named, for the success of the scheme will depend upon the vitality and energy of those actually engaged in industry.

If the industries are prepared to say what material they need and what number they can employ, the organization we have briefly described will be able to set to work in the early days of peace; and it is hoped that the procedure will be of the following kind.

The industries should each have some fully representative organization which will put before the Government, among other things, the need for raw material. Presumably a Joint Industrial Council will have a Committee to consider this need; and special Committees

will be set up in those industries in which no Joint Industrial Council exists. It will be for the industries to arrange the composition of the Committees; but most of those so far set up and recognized by the Government are joint Committees, containing both labor representatives and representatives of the employers. It will be easily understood that since employment in so many cases depends upon the amount of raw material obtained and the method of its distribution, representatives of labor are very much interested in raw material supply. The Government has accepted the recommendations of the Whitley Committee in regard to Joint Industrial Councils; and the Ministry of Labor has been able to promote organization in many industries. The Ministry of Reconstruction meanwhile has brought into existence various joint Committees known as Interim Industrial Reconstruction Committees. All such bodies, therefore, will naturally give attention to raw material supply.

Some of the work of reviewing the need for raw materials has already been done; and various special Committees of representatives of industry have already made recommendations to the Ministry of Reconstruction. The problems these Committees have considered are indicated in their terms of reference, which were generally as follows:—

To consider and report upon—

The nature and amount of supplies of materials and foodstuffs which in their opinion will be required by the United Kingdom during the period which will elapse between the termination of the War and the restoration of a normal condition of trade; and the steps which should be taken to procure these supplies, having regard to:—

(*a*) The probable requirements of India, the Dominions and Crown Colonies for such supplies at the close of hostilities.

(*b*) The probable requirements of belligerents and neutrals for such supplies at the close of hostilities.

(*c*) The sources from which, and the conditions under which such supplies can be obtained and transported and, in particular, the extent to which they might be obtained from the United Kingdom or within the Empire or from Allied or Neutral countries.

Representative joint Committees of the different trades will have to consider similar problems; but their first task will be to collect from the firms or associations concerned information as to the amount of labor they can employ, the rapidity with which their machinery can be set going on "peace" production, and the amount of raw material they could use on this machinery. If the full amount cannot be supplied at once, the responsible organization

representing the industry may have to allocate a proportion to the different firms, perhaps following the plan adopted by the Cotton Control Board. It will obviously be more in the national interest if many firms employ many persons working on short time rather than that a few firms should be working a few employees very hard while no employment is obtainable under other firms in the same trade.

If we suppose, then, that the trades have made a review of their needs and have indicated to the Ministry of Labor the number of persons they can employ and the rate at which new employees can be taken on, the representative Committee then passes on to the Standing Council the statement of the requirements of the industry for raw material.

The Standing Council will have to adjust the claims of the different industries. The members of that Council will be informed of the supplies available and, presumably, of any questions of general policy which will affect the raw material supply. It is contemplated that there shall be an Imperial Board to consider in relation to the problems of the Standing Council the supplies obtainable within the Empire. The Dominions Royal Commission has already reported on certain improvements which may be undertaken in coördinating the commerce and industry of the British Empire; and in their reports will be found further details as to the raw material we usually imported before the War from other parts of the Empire and from foreign countries.

It will be the task of the Standing Council not only to allocate as much raw material as can be carried between the different industries, but also to see that there is an organization for arranging for the distribution of the material within each industry which needs to be rationed. Thus, as far as possible, advice on the need for supplies will be sought from representatives of the industries. The principle of control where control exists will be quite different from the war-time control by the State, for the State in time of war is buyer and user of most of the commodities controlled, but as soon as peace is secured, private purchase and private use will begin again to dominate the markets.

It is, therefore, essential that the control should not be from above, but should be exercised by those immediately concerned in industry; and, further, obviously fewer materials will need to be controlled in proportion as we return to normal life. The findings of the Standing Council will be put before the Cabinet Committee for post-war priorities; and this Cabinet Committee will have the duty of finally deciding the proportion of tonnage to be allotted

to the different imported raw materials. It is to be hoped that in the case of most of the raw materials the need for this allocation will pass very soon after peace is secured. The critical time comes with the demobilization of the Forces and the discharge of civil war-workers. It is clear that coördination between the rate of discharge and the amount of raw material to give employment can be secured only by a large view of the whole problem. But as soon as the returning soldiers and the discharged munition workers obtain employment they will provide employment for others. For example, the more speedily our textile manufacture turns to full "peace" production, the more workers will be required in the clothing trades and in the various occupations, in shops and stores, by which goods are distributed.

Not only will the different industries have to be thought of, but also the different localities. It may in some cases be necessary to give opportunities for employment in places in which none of the greater industries is found. Therefore the raw material supplies may have to be so distributed that certain towns may have a share quite apart from their importance as industrial centers. Lace, for example, is not an urgently needed article for reconstruction, but the lace trade employs so many that it may be in the national interest to give it priority to some non-essential trade which employs few, and the lace trade is in certain districts which may need special consideration.

It will be understood that the examples we have given are purely hypothetical, as there is no reason to expect any particular crisis in this or that industry or in this or that district. The organization which we have described is to work for the avoidance of a danger; it is not created to cure an evil already in existence. Foresight is what is required.

Over all control there will remain for a time some of the present inter-Ally machinery for securing supplies; for we must suppose that in obtaining and allocating supplies to our own industries due regard will be paid to the needs of the devastated territories of Belgium, France, and Serbia. Moreover, we are bound in honor to consider the needs of French and Italian industry.

The organization of the control by which food and raw materials will be distributed by the Allies is the subject of another pamphlet in this series. But a short summary of the situation may be given here in order to complete the description of the supply of raw materials. We have had during the War an *Allied Maritime Transport Council,* which allocated the tonnage for the various imports to the countries of the alliance. This Council was advised by Pro-

gram Committees, which drew up lists of the requirements of the different nations for this or that material. But there have been also organizations for the joint purchase of foods needed by all the Allies. It was found that if each country attempted to buy separately in North or South America, the price was forced up: and yet it was not to the advantage, for example, of France or England that either should pay more because the other was buying. An arrangement was, therefore, made for joint purchases, and this has been effective chiefly in regard to foodstuffs. In regard to wool for army clothing the British Government has had control of most of the supplies, and an adjustment is made between the needs of the different Allies. In regard to cotton, the United States Government controls the sale in the States, and the British Government controls the whole of the Egyptian crop. But it has been recognized during the War that such material as was available was to be allocated according to the needs of the different countries, and this principle cannot cease to be applied in the difficult time of transition from war to peace. We must therefore expect to find for some time an international arrangement for the control of raw materials.

The whole scheme involves much difficult adjustment of claims, and an organization equal to the problem is now being worked out. This is already partly in existence; some of the War organization needing only modification to adapt it to peace. But the greatest need will be public and general coöperation among all concerned in industry. The ordinary citizen can do very much to smooth the crossing from war to peace.

APPENDIX C

THE EMPLOYMENT EXCHANGE FROM WITHIN

A DAY WITH THE MANAGER

(From Report to Ministry of Labor)

Managers of Employment Exchanges, in the variety, number and novelty of the things which fill their crowded hours, yield to no other class of public servant. Take these leaves from the life of one amongst them. A mass of correspondence reaches him daily. Most of it will deal with routine matters, but each letter must be examined, and 20 or 30 will require personal attention. Meanwhile the telephone will have rung and various questions have been answered, necessitating reference to a volume of instructions, an Act of Parliament, a Statutory Order or a file of papers. The questions are varied, and will range from a request for advice about an opening for a son to an employer asking "What's this about 12½ per cent.?"

The post-bag is always interesting, if rather overwhelming. The following will indicate the variety of the inquiries which reach an Exchange. An Englishwoman in California desires to return to England, and is refused a passport unless she has a guarantee of work; will the manager say whether the Consul is entitled to make this stipulation? Another lady seeks war work for her dog. A wife, whose husband has failed to communicate with her, inquires for his address. Then there are the people who, needless to say, will "write to the Government about it," all of which communications come to the Manager for investigation and report; and no communication from an ambassador could receive more punctilious attention.

Department circulars and instructions will usually occupy the next hour or two. Meantime the Manager has smoothed out some difficulty about a War Munition Volunteer, Women for the Land, or some other of the many corps recruited through an Exchange. The next item is visits to local firms to clear up matters requiring a personal interview.

Arriving back, he finds a workman waiting. The man is badly needed at a distance, but prefers a job nearer home. The clerk has been trying to persuade him to take up the more urgent work. There is no power to compel it, and the Manager has only his own personality to depend upon in such cases. Presently he finds himself with a non-union workman complaining that favor is shown to Society men at the Exchange (or it may equally likely be a Society man complaining of favor in the reverse direction). The Manager usually has the matter cleared up sooner or later, for the complaining workman, once he is shown the actual working of the Exchange system, and treated as a sort of partner in the concern, is usually a fair-minded man and open to conviction.

Meals are hurried matters in Exchanges, and our Manager will probably have other visits to firms to pay after his lunch. On his return to the Exchange he finds a mass of correspondence, reports and returns to be examined and sent away. Somehow he will find time to consult with the Military Tribunal, the Food Control Committee, or some other Department with which his work is associated. Questions will arise as to Unemployment Insurance, Military Service, Restricted Occupations, permits for aliens to work upon munitions, transfer of Munition Volunteers desiring a change. Men in all parts of the kingdom, and even abroad, will write to their Exchange as to being released for work upon munitions or farms. Occasionally a soldier will write to ask why his wife has been recruited for the Women's Army Corps. Another—such is the contrariety of human nature—will ask why his wife has not been recruited. Scores of questions arise outside the business of an Exchange altogether—Health Insurance is a favorite—and one Manager has been threatened with serious trouble because he had not removed the dust of an irate householder. All these questions must receive careful attention before an answer is given. The mistakes of the public servant do not end quietly or quickly; they meander on for months around Whitehall, in and out of the newspapers, and perhaps into the House of Commons.

The Manager of an Exchange must make himself master of a dozen or twenty Acts of Parliament, with all their attendant Regulations. The Statutory Orders touching his work are numbered in hundreds. Not only must he know these, but he must be able to explain them—quite another quality—and to explain them in such a way that workers unaccustomed to legal phrases and formulæ may be able to understand them. War legislation is a hurried matter, and consequently teems with difficulties, but your Exchange Manager has to see it through. That writer who described officials

as never taking responsibility or acting without precedent would receive a shock from a day with the Manager of an Exchange.

The evenings are frequently occupied with Committee meetings, and it is a tired man who finds himself about 9.30 P. M. eating the meal which should have been consumed several hours earlier. Many Managers serve upon six committees in addition to their ordinary duties.

Even in sleep their trials are not ended. One was aroused at 2 A. M. by twenty fitters, arrived to carry out urgent work in a dockyard, and the Manager, pausing only to add to his scanty night attire, set out to conduct them thither.

Somewhere amongst all this our Manager must find time to see to repairs of his premises, applications by his staff, supplies of furniture and of stationery, of coals, soap and candles, for no servant of the Empire, from Governor-General to village policeman, is more completely responsible for his district. But they are mostly men accustomed to responsibility from their early days. Some have been heads of departments in commercial life, others were foremen in workshops, and many were leaders and organizers of trade unions.

Life for a Manager is never dull, whatever else it may be. Here and there they are wearing out; they will never rust out.

APPENDIX D

REPORT OF A CONFERENCE

BETWEEN ORGANIZERS OF TRADE UNIONS, BRISTOL EMPLOYERS AND OTHERS CONCERNED WITH THE INDUSTRIAL EMPLOYMENT OF WOMEN, CONVENED BY THE BRISTOL ASSOCIATION FOR INDUSTRIAL RECONSTRUCTION, ON THE 16TH AND 17TH MARCH, 1918, ON THE POSITION OF WOMEN IN INDUSTRY AFTER THE WAR.

I. GENERAL CONSIDERATIONS

(1) At the present time it is estimated that not less than 4,713,000 women are engaged in industrial occupations, covering well-nigh the whole field of industry. At the end of the War a very large number of these women will be displaced as war industries are shut down and factories gradually pass from a war to a peace footing. As soon as an armistice is declared a large number of women will be discharged from the various munition factories, and on the declaration of peace, factories in every part of the country will discharge many thousands of women workers.

(2) The absorption of scores of thousands of women thus displaced from occupations which they have followed for a prolonged period will create a series of industrial problems of an exceedingly grave character.

A large number of women now employed in industry have entered industrial life for the first time since the outbreak of war. While, doubtless, many at the termination of hostilities will be anxious to resume their normal mode of life, and leave industrial occupations, it seems clear that a very large number, for one reason or another, will elect to remain in industry. Some have found a new freedom in their work, and are disinclined to return to the comparative monotony which is the lot of the "stay-at-home" woman. Others, having developed a real liking for their work, will wish to continue it. Others, owing to the necessity of supporting, or helping to support, male relations who have been incapacitated in the War, or owing to the increased cost of living, or other pecuniary reasons, will of necessity have to earn their own living. Others will have to do so because their men folk will return no more. For

these and other reasons we are of opinion that the number of women desiring to remain in industry after the War, both actual and relative, will very greatly exceed the number of women engaged in industrial occupations before the outbreak of hostilities.

(3) From these premises a number of problems emerge:—

(i.) Into what industries should the women displaced at the conclusion of peace be directed?

(ii.) In what industries should women be retained, and from which should they retire in favor of male labor?

(iii.) What is the best type of industrial organization for women workers?

(iv.) Upon what lines should we proceed in the great task of industrial reorganization which will follow the War?

(v.) Upon what principle should the remuneration of women workers be based?

(vi.) How far is welfare work necessary or desirable?

(4) If a solution is to be found for these, and kindred problems, a definite industrial policy, as to the position of women workers after the War, is needed.

II. THE INDUSTRIAL EMPLOYMENT OF WOMEN AFTER THE WAR

(1) The underlying fact in relation to the position of woman in industry is that her position as an industrial worker is, and always must be, of secondary importance to her position in the home. To provide the conditions which render a strong and healthy family life possible to all is the first interest of the State, since the family is the foundation stone of the social system.

(2) It is, accordingly, the duty of the State to ensure that women are only employed as factors in industrial efficiency in so far as the interests of family life and the healthy development of the race are not prejudiced.

(3) Whilst the experience of the War has shown that women can adapt themselves to the needs of almost any calling, it is clear that many occupations now being followed by women are unsuitable for the permanent employment of female labor.

We welcome the admirable series of Reports issued by the Health of Munition Workers' Committee and, in our opinion, a thorough inquiry into the effect of different occupations on the health and physique of women should be undertaken, at the earliest possible date, as a necessary part of the preparation which is made for the task of Demobilization. It is obvious that a final decision as to the effect of many occupations on the health of women engaged therein

can only be arrived at after the lapse of a considerable period of time, but, in view of the importance of the issues involved, we feel that sufficient experience has now been gained to justify such an inquiry being instituted. Such an investigation would probably result in certain occupations being ruled out, on physical grounds, as unsuitable for the employment of women. After the War, it should be made illegal for women to be employed in such occupations.

(4) The entry of women workers into, or their continuance in, industries suitable, so far as questions of health and physique are concerned, for the employment of women involves the consideration of wider problems. Before setting out our conclusions as to the employment of women after the War in such industries it will be convenient to place on record certain facts:—

(i.) It is estimated that the total number of women employed in industrial and commercial occupations, other than domestic occupations, was 4,713,000 in October, 1917, as compared with 3,287,000 in July, 1914—an increase of 1,426,000.

(ii.) Of the 4,713,000 women engaged in industrial and commercial occupations, 1,413,000 were directly replacing men.

(iii.) The number of women employed solely on munitions work was 704,000 out of a total of 1,400,000 employed in the production and distribution of commodities for the British and Allied Governments.

(iv.) The following table shows in detail the estimated distribution among the various industries of the women engaged therein, in July, 1914, and October, 1917, respectively, namely:—

Occupation.	*Number employed in July*, 1914	*Oct.*, 1917.
Controlled and Private Industries	2,176,000	2,706,000
Government Establishments	2,000	216,000
Gas, Water and Electricity (Local Authorities)	600	4,600
Agriculture (Great Britain), Permanent Labor	[1]80,000	[1]89,000
Transport, including Tramway Services (Estimated)	18,200	111,200
Finance (Banking, Insurance, etc.)	9,500	67,500
Commerce	496,000	831,000
Professions	67,500	89,500
Hotels, Public Houses, Cinemas, Theaters, etc.	176,000	200,000

[1] Numbers vary according to the season of the year.

Civil Service (Post Office)	60,500	107,000
Other Civil Services	4,500	51,000
Other Services under Local Authorities	196,200	226,200

(v.) The figures given in the above table do not include domestic workers, women employed in certain small workshops and workrooms, or women working in Naval, Military or Red Cross hospitals. In pre-war days domestic service provided employment for a far larger number of women than any other form of occupation. The number so employed in 1911 was 1,620,000. It is estimated that since the outbreak of war there has been a displacement of some 400,000 women from domestic service and small workshops.

(5) In estimating the extent of the problems raised by the employment of women after the war, it may be assumed that a proportion of the 1,426,000 women who have entered industry since the outbreak of war will return to their homes, or will be able to do so without suffering any great hardship, at the termination of hostilities. It is, however, impossible to form any estimate as to what proportion will be able to do so.

Presumably it will be possible for 400,000 women to return to domestic service or small workshops, from which they have been withdrawn, either by the attraction of higher remuneration or the needs of the country. If, however, women are to be persuaded to enter these occupations in large numbers, the wages, hours and conditions of work will require very considerable amendment. In particular, the conditions of domestic service will have to be greatly improved, especially on the side of allowing a much greater amount of freedom to those engaged therein.

(6) It may be anticipated that the 704,000 women now engaged on munitions work will either have to seek other employment or cease to be industrial workers, at any rate for a time, after the war is terminated; and, in addition to this number, a considerable percentage of the 696,000 who are at present engaged on Government work other than munitions work will no longer be needed. On the other hand, workers in such industries as the manufacture of clothing and footwear will probably merely be transferred from war to civilian production, unless this transfer is delayed or prevented owing to shortage of raw materials.

(7) Many women who are replacing men in Government offices and works will have to be willing to give place to the men as they return from their military duties, and a definite policy of regarding the right of the men now serving in the Navy or Army to return to their former occupations should be insisted upon as a simple act

of justice. This policy, in our opinion, should be applied generally in all cases where women have replaced men for reasons attributable directly or indirectly to the war. Women have helped, and are helping, the Nation splendidly, but they must realize that men have not forfeited their right to their jobs by answering their Country's call and doing work which women cannot undertake.

(8) Consideration of the foregoing facts appears to justify the conclusion, already stated in the first Section of this Report, that the cessation of hostilities will be followed by a great dislocation of female labor, involving the necessity of providing fresh occupation for the greater part of 1,426,000 women and girls.

(9) The problem thus presented will be rendered more difficult of solution by reason of the shortage of wellnigh every class of raw material (except steel and certain chemicals), which appears inevitable in consequence of retarded production, depletion of stocks, and destruction of shipping. Time will also be required to reorganize the workshops and factories for the requirements of normal commercial production.

(10) For these, amongst other reasons, it appears certain that there must be a period after the war, of how long duration it is impossible to say, during which a reduction of the demand for labor is inevitable. We have considered the line of policy which should be followed in order to endeavor to meet the situation which will arise in consequence, and our conclusions are as follows:

(i.) That the first consideration should be to arrange for the suitable employment of all demobilized men, and men discharged from industrial establishments engaged upon the production of munitions of war.

(ii.) That women should, as a matter of course, relinquish the jobs in which they have replaced men for reasons directly or indirectly attributable to the war, so long as men are available to fill them.

(iii.) That the school-leaving age should be raised to 15, in order that juvenile labor may not compete with adult labor during the period of demobilization and the readjustment of industry to peace conditions.

We note with satisfaction that the Education (No. 2) Bill, 1918, now before Parliament proposes to confer upon Educational Authorities power to raise the school-leaving age to 15, and we feel that this power should be exercised in the interests alike of the Nation and of Industry.

(iv.) A determined and sustained effort should be made to attract as large a number of women as possible into those

industries which, by reason of their nature, are more particularly suitable for the employment of female labor. Such industries are incapable of exact definition, since the suitability or otherwise of any industry for the employment of women is constantly altering as new processes and methods of manufacture are introduced. Certain industries, nevertheless, stand out as those for which women are specially adapted. A complete list of such industries is impossible; but by way of illustration we would instance the textile industries, the boot and shoe trade, the printing and allied trades, laundry, garment making, millinery, confectionery, tobacco, the paper, stationery and allied trades, sections of the pottery industry, work in retail shops, clerical occupations, and domestic service.

Many of our schools are understaffed, and the teaching profession, consequently, can absorb a great many women; and if the school-leaving age is raised to 15, as we think it should be, many thousands of extra teachers will be required immediately.

It has, moreover, become clear that the land, especially the less heavy and more skilled processes of dairy work, gardening, fruit growing, etc., offers an expanding sphere of employment for women workers. The wage rates and conditions of work in these and other occupations suitable for the regular employment of women should receive the immediate consideration of those who, by reason of the general displacement of labor at the end of the war, will then be available to return to or enter into them.

(v.) The extent to which married women are engaged in industrial employment should be reduced to the narrowest possible limits. Women with dependents (children or incapacitated husbands) should receive adequate pensions, so as to avoid the necessity of their being forced to enter industrial occupations in order to live.

(vi.) The hours of labor for women engaged in industrial occupations, permitted under the Factory Act, 1901, should be drastically reduced. Under the law as it now stands, women may be employed (except on Saturday or its equivalent) for a working day of 12 hours, subject to one-and-a-half hours for meals (or two hours in textile and certain other factories), and for unbroken spells of five hours' duration, save in textile factories, in which case the unbroken spell must not exceed four-and-a-half hours.

These hours, in our opinion, are much too long, both in the aggregate and in the length of the spell which may be worked without a break.

We are of opinion that the policy of an eight-hour day on five days a week, and four hours on Saturday or its equivalent, making a total working week of 44 hours, should be adopted. We believe that these hours of labor would in no way reduce the productive capacity of factories if properly organized. Indeed, the evidence afforded by the Health of Munition Workers' Committee tends to show that the productive capacity of the workers would rather be increased. In our opinion four hours is the maximum length of time which should be worked by a woman without a break, and we think that the best results would be obtained if unbroken spells of work did not extend beyond three hours. Our experience leads us to believe that most women cannot work properly without a break for a longer period.

While we do not feel able to express a final opinion upon the suggestions recently made for the reorganization of factory practice on the basis of two shifts of six hours each, we think such suggestions are worthy of serious consideration.

(11) We have, in the preceding paragraphs, outlined the policy which we think should be followed at the end of the war. There is, however, in our judgment one essential condition to any hope of a satisfactory solution of the many problems involved, namely, that the organization of women workers in properly constituted Trade Unions must be proceeded with as rapidly as possible. Many women, however, will inevitably have to face a period, and probably a long period, of unemployment. The provision made under the National Insurance Acts, 1911–17, will help to tide them over this period of enforced inactivity, but we feel that the amount of benefit, 7/-per week, paid under the Unemployment Insurance Scheme contained in these Statutes, is quite inadequate, and steps should, we think, be taken to supplement the statutory benefit by voluntary insurance, under schemes promoted and administered by the Trade Unions concerned.

III. THE ORGANIZATION OF WOMEN WORKERS

(1) Upon the question of the industrial organization of women two divergent views were expressed:—

(i.) That the peculiar needs of women can be best met by the organization of women workers into separate Women's Unions.

(ii.) That the only satisfactory mode of organization for women is to incorporate them, on equal terms with the men, into Unions, based on the several industries.

(2) In support of the first view, it was urged that, while men have had long experience of industrial organization, women are only just beginning, and at present lack any developed social consciousness, and are much behind men in education, experience and breadth of outlook. Accordingly, a large part of the work which must be undertaken by women's organizations is educational, and the necessary educative work can best be carried out in organizations specially constituted and administered for women.

(3) In support of the second view, it was urged that the superiority of men in the matter of education and intelligence was to a great extent imaginary, and that the same might be said as to the extent to which any considerable social consciousness had been attained in men's organizations. At any rate, the difference between men and women in these respects was not sufficiently great to prevent the effective association of men and women in the same Union organization. The branch life of the men's Union is a great educational force, and the best results would be attained by introducing women on equal terms with men into the same organizations.

(4) We have given careful consideration to the issues thus raised, and the majority of those attending the Conference are of opinion that the interests of women will be best served if the operatives in the several industries are organized in Unions constituted on the basis of the industry in which their members are employed, irrespective of sex, and that women should be accorded an equal status with men in the branch life and organization of the Unions.

(5) As a result of the discussion which has taken place, we feel that there is urgent need for drastic simplification of Trade Union organization. The number of Unions at present existing—over 1,100—together with the complexity which inevitably results from so large a number of organizations, many of which overlap and compete with one another, creates great and needless administrative difficulties, and constitutes a serious handicap to the solidarity of Labor. We understand, for instance, that there are 187 operatives' Unions in the Engineering and allied trades.

(6) We think that many considerations make it desirable that there should be a reorganization of the Unions, with the object (*a*) of reducing their numbers, and (*b*) of reorganizing the workers on the basis of the industry in which they are employed.

(7) The Employers' Associations are in much the same position as the Trade Unions. They are for the most part very incom-

plete, and often ineffective, and require coördination and extension.

(8) We are of opinion that the first essential step towards a policy of Industrial Reconstruction is to organize all operatives in their respective Trade Unions, and all employers in appropriate Trade Associations.

(9) A Trade Union, whether of employers or operatives, does not exist solely to further the purely economic interests of its members, important as these undoubtedly are. A Trade Union fulfils, or is capable of fulfilling and should fulfil, wider functions. If it is to play its proper place in the organized life of the Nation, a Trade Union must aim at associating its members for the better discharge of their duties to the community at large, as well as for the pursuit of their individual or sectional interests and rights. A Trade Union should fulfil important social and educational functions as well as economic. It should aim at affording to its members an opportunity to gain a deeper social consciousness and to enter upon a life of richer and fuller experience. It is of the greatest importance, therefore, that care should be taken to see that the ideal side of Trade Unionism is kept well to the fore in Union propaganda. We feel that the best interests of Unionism will not be served by enrolling large numbers of new members who have not grasped the underlying ideals of the movement, and join a Union solely on a "bread and butter" basis. Such a policy is bound to render Trade Union organization fatally unstable and immensely difficult to maintain. Those charged with the duty of organizing women should, therefore, leave no stone unturned to bring home to the women concerned the high ideals for which modern Unionism should stand, and to impress upon them the essential importance of personal loyalty to their fellow-members, to the industry of which they form part, and to the community of which they are citizens.

10. Great as have been the services rendered by the Trade Unions to the Nation in the past, and during the war, we feel that in the future they are destined to render yet greater service. The battle for recognition is well-nigh won. By adopting the first Whitley Report the present Government, on behalf of the Nation, has definitely recognized Trade Unions as essential factors in the industrial organization of the national life and the starting-point of Industrial Reconstruction. This action on the part of the Government furnishes an additional reason for a great and rapid extension and simplification of Trade Union organization for both employers and operatives.

IV. THE WHITLEY REPORTS

(1) We have given careful consideration to the three Whitley Reports, and the policy outlined therein of constituting a new control in industry by establishing, in each industry, a system of industrial self-government through the medium of Joint Standing Industrial Councils, equally representative of the organized employers and operatives engaged in the industry. We are of opinion that the proposals contained in the Reports afford a practical basis for the reorganization of industry, and indicate a sound line of advance towards Industrial Reconstruction.

(2) We welcome the proposals of the second Whitley Report, which aim at bringing all unorganized industries under the control of Trade Boards, having powers extended to questions affecting both wages and hours of labor, and questions cognate to wages and hours. For reasons which are set forth in the section of the present Report dealing with the remuneration of women workers, we are of opinion that there is urgent need for a very wide extension of Trade Boards.

(3) We notice with interest and endorse the stress laid in the Reports upon the importance of Works Committees. In our opinion the principle of Works Committees is sound and the formation of such Committees should be encouraged, quite apart from their operation as a part of the Whitley Scheme of industrial self-government. Such committees are, in our judgment, of the greatest possible service for the satisfactory conduct of industry, and afford one of the best practical methods of securing better relations between management and the operatives.

V. THE REMUNERATION OF WOMEN WORKERS

(1) It is generally admitted that a considerable number of women engaged in industry before the war were not paid a living wage. There were several causes which seem to us to have contributed to bring this about.

(i.) Until recently comparatively few women were organized, and, consequently, they were obliged to accept whatever wages were offered them.

(ii.) Women were mainly employed in the less skilled or unskilled trades, the work required of them being of a repetition character which was easily and quickly picked up. The supply of labor suitable for work of this character tended, in many localities, to exceed the demand, conse-

quently a low rate of wage sufficed to command the services of a sufficient number of women.

(iii.) Many girls entered industry with no intention of remaining for any great length of time; it was merely necessary to bridge the gap between school days and marriage. The amount of wages received was in many cases not a matter of serious concern. They were content with the equivalent of pocket money. It was impossible for the employers to distinguish or differentiate between women who entered industry for the purpose of earning their own living, and, possibly, supporting not only themselves but dependents as well, and the "pocket-money" entrants, and the presence of the latter inevitably operated to depress wages.

(iv.) Although many women have dependents to support, the majority have not. They are, consequently, able to maintain a fairly satisfactory standard of life on a lower wage than a man usually requires to maintain a similar standard.

(v.) There would appear to be in the minds of some employers an element of prejudice against the employment of women, because they are less physically fit than men for some occupations. In accordance with this view, the work of women is regarded as of less worth than that of men, and should be rewarded therefore at a rate of remuneration substantially lower than that which men can rightly claim.

(vi.) It has been very generally assumed that a woman can live on a smaller income than a man. We believe that this assumption is erroneous.

(vii.) Trade Boards, on being constituted, have tended to fix minimum rates for women workers with regard to the wages actually received by the lower-paid workers, in the industries concerned, before the Boards were established. The rates fixed, consequently, were low.

(2) For the reasons already given in the earlier sections of this Report, the war has materially affected the economic position of women. Many of the causes which formerly tended to maintain the wages paid to women operatives at a low figure will no longer operate in the post-war period. Moreover, during the war large numbers of women have grown accustomed to earn comparatively high wages, and the rates of wages paid to women generally have risen considerably in consequence of the standards established by the Orders made by the Ministry of Munitions, under Section 6 of the Munitions of War Act, 1916, fixing the rate of remuneration for

women employed on various kinds of munitions work. For these reasons, it is certain that women will in the future demand, and are justly entitled to receive, a much higher rate of remuneration for their services than in pre-war days. Women are now presented with a unique opportunity to raise permanently the standard of women's remuneration in industrial occupations. The standards established by the Government during the war will afford very important precedents, and steps should be taken without delay to prevent the rates obtained during the past three years being lowered. The first essential step to this end is thorough and efficient organization. The second is to formulate some definite principle on which to proceed in future negotiations on wage questions.

(3) With the necessity and form of organization we have already dealt in the second section of this Report. It remains to consider what basis should be adopted when fixing the rate of remuneration to be paid to women workers.

Now that women are rapidly becoming organized, either in Trade Unions of their own or in men's Unions, standard rates will gradually become established in the organized industries by collective bargaining, either on the lines hitherto practised, or upon the Joint Industrial Councils, National and District, proposed by the Whitley Committee. In unorganized industries the same result will be obtained by the decisions of Trade Boards. The fact, however, that machinery exists for fixing standard or minimum rates of wages does not in any way dispense with the necessity of arriving at some intelligible principle as the basis upon which such rates should be fixed.

(4) A demand is at present made in many quarters, on behalf of women workers, for equal pay for equal work for men and women alike. This principle is, however, much easier to assert than to apply. It is not always easy to say when equal work is performed. It is, moreover, by no means clear that, if applied, the principle will always operate to the pecuniary advantage of the woman. Many employers, if faced with the necessity of paying equal rates to men and women, would prefer to employ men. On the other hand, if women can be employed on the same work as men at lower wages than those demanded by men, the men's standard of life is endangered. This last point is of such great importance that, notwithstanding the difficulties involved, we think that the principle of equal pay for equal work, in the sense that a woman should receive the same rate of pay as a man for the same volume and quality of work, assuming equal adaptability to other necessary work, should

be adopted as the basis of women's remuneration in all cases where women are employed on work which has been hitherto regarded as men's work.

(5) In other occupations followed by women we favor the following principle, namely, that in determining the rate of wage which should be paid, a distinction should be drawn between a minimum or "basic" wage and additional wages above the minimum, which may conveniently be termed "secondary" wages. The former should be determined primarily by human needs; the latter by the value of the service rendered, as compared with the value of the services rendered by workers who are receiving the basic or minimum wage.

(6) The "basic" wage for a woman of average industry and capacity should be the sum necessary to maintain her in a decent dwelling and in a state of full physical efficiency, and to allow a reasonable margin for recreation and contingencies.

(7) The "secondary" wage should be determined by the cash value to be placed upon any special gift or qualification required for the performance of the work undertaken.

(8) The cash equivalent of the "basic" and "secondary" wages in any industry or particular instance must be determined, in the organized industries, by agreement, either between the Unions and the Employers' Association or the individual employers, as the case may be, by the ordinary processes of collective bargaining as at present practised, or upon the Joint Industrial Councils which we hope will be established in the near future, and in unorganized industries, by Trade Boards established under statutory powers. Some organization for the purpose is imperatively needed in every industry if much confusion, bitterness and strife is to be avoided. We should prefer to see the work of fixing rates undertaken by the self-governing industrial bodies proposed in the first Report of the Whitley Committee, but, failing these, we feel that it is necessary that immediate steps should be taken to extend the Trade Boards Act to all industries, and to enlarge the powers of the Boards on the lines suggested in the second of the Reports of the Whitley Committee. We note with satisfaction that legislation to this end is contemplated in the near future. There is no reason, in the nature of things, why a Trade Board should fix minimum rates with reference to the rates paid in the poorly-paid shops. In the future we do not believe that they will be so fixed. Minimum rates should, we think, be determined with reference to the wages paid by "good employers," the standard adopted in the Fair Wages Clauses approved by resolution of the House of Commons.

(9) We favor some such plan as above set forth to any attempt to define a "living wage" in terms of money. This cannot be done satisfactorily, since values are constantly changing. It seems to us better to lay down the main factors which should be considered in determining what is a "living wage," and embody these factors in a formula such as that set out above. The formula can then be "priced out," so to speak, and adjusted from time to time as occasion demands.

(10) The proposals outlined above do not fully meet the case of women with dependents. We are unable to come to any satisfactory conclusion as to how this very serious question should be dealt with. The basic wage for women will inevitably be fixed with reference to the needs of a single and unencumbered woman of average capacity. No other course, indeed, appears to be possible. If she has dependents, they must be otherwise provided for. It seems to us that such provision is an obligation which should rest upon the community as a whole, and must be made irrespective of industrial relationships. We are entirely opposed to the recent tendency in industrial legislation to complicate industrial questions by throwing upon industry non-industrial functions.

VI. WELFARE WORK

(1) While we recognize that the development of Welfare Work in recent years is part of the general movement which aims at humanizing industrial life, we nevertheless feel that the lines upon which this work is developing are very far from satisfactory.

(2) In the first place, we think that the phrases "Welfare Work," "Welfare Supervisor," etc., are unfortunate, and lead to grave misapprehension as to the objects sought to be attained by the work with which these terms are associated. They are held to imply the idea of patronage. We think that it is very desirable that a new designation should be applied to this branch of industrial organization. Again, largely in consequence of the greatly increased need for work of this description entailed by the war, a large number of women appointed as Welfare Supervisors have been quite unsuited for the work. They have lacked experience and understanding of industrial conditions, and have often been tactless in exercising the very delicate tasks entrusted to them. For these reasons the whole idea of welfare work is misunderstood, and has come to be regarded with suspicion, by large numbers of operatives. There is grave danger of the whole movement falling into serious disrepute in consequence. This, we think, would be a great misfortune, inas-

much as, when its proper function is understood, we believe that there is a great field of usefulness open to welfare work, conducted by suitable and properly trained persons.

The appointment of Welfare Supervisors marks a new idea in Factory organization. It denotes a new sense of responsibility on the part of those who employ the labor of others for the well-being of those whom they employ. The function, accordingly, of a Welfare Supervisor is to see that proper attention is paid to the "human," as contrasted with the productive, aspects of factory life and work.

(3) Girls fresh from the discipline of a well-ordered school need help and friendly supervision in the unfamiliar turmoil of their new surroundings. They are not women, and cannot be treated as such. High wages, and in many cases the absence of the father, tend to relax home control. Healthy and organized recreation is frequently difficult or impossible to obtain. If smooth working is to be secured, the real causes of discontent and trouble must be ascertained and appreciated. The problems involved are a special branch of factory administration, and they are likely to remain unsolved unless suitable women are specially trained and deputed for the purpose. They include questions of character and behavior; the maintenance of suitable and convenient sanitary accommodation; the maintenance of health under the strain and stress of industrial work, which requires constant oversight of hours, rest periods, overtime and night work.

(4) For these reasons we are of opinion that, under present conditions, Welfare Supervisors are desirable wherever girls under 18 years of age are employed.

(5) We are also of opinion that Welfare Supervisors will in many cases be found desirable in works where adult women are employed. As businesses are at present organized a woman is rarely, if ever, found among the active body of Directors, and many questions constantly arise in the daily routine of factory management, where women are employed, which it is exceedingly difficult and ofttimes impossible for a man to deal with satisfactorily, and consequently the presence of a well-trained and sympathetic woman, entrusted with the duties specified above, is of the greatest possible assistance, both to the women employed and to the management.

(6) Generally, in our opinion, a Welfare Supervisor should be responsible to the principals only, and the greatest possible care should be taken to appoint only suitable and specially trained persons for undertaking these delicate and responsible duties. The officer appointed should be a woman of good standing and education, sympa-

thetic, tactful and sensible in dealing with others, and having, if not actual experience, at least a good understanding of industrial conditions.

(7) A Welfare Supervisor should not, in our judgment, generally undertake home visiting, except at the request of the person to be visited, or his or her parents or guardians in the case of young people.

APPENDIX E

LABOR'S PRONOUNCEMENT ON THE RESTORATION OF TRADE UNION CUSTOMS AFTER THE WAR.

The Government has guaranteed the restoration of Trade Union rights after the war, and this guarantee has been the material factor in inducing Trade Unions to suspend their rules for the period of the war. It is, therefore, of the greatest importance that the Trade Unions should have the fullest possible knowledge of the scope and substance of the Government guarantees. In the following memorandum the attempt is made to set out all the definite guarantees that have been given, together with some of the most important pronouncements of leading Ministers with regard to them.

Though the guarantees are most clearly set out in the Second Schedule to the Munitions of War Act, 1915, it has been thought well to begin with a short historical introduction, showing how the need for the guarantees first arose and received recognition.

I.—BEFORE THE MUNITIONS ACT

The shortage of labor began to be felt in the engineering industry as early as November, 1914. By that time, unemployment among skilled engineers had practically disappeared, and the enlistment of skilled men had aggravated a shortage which in any case would have become serious. On November 26th a Composite Conference was held between the A.S.E., the Toolmakers, and the Engineering Employers' Federation to discuss the introduction of female labor on certain machines at Messrs. Vickers, Crayford. An agreement was finally secured by which women in this firm were allowed on purely automatic machines only, the settlement to be—

"observed until the termination of the war, when the whole question shall be discussed, if desired, without the foregoing settlement being urged to the prejudice of either party."

This purely local settlement was no sooner secured than the Engineering Employers' Federation approached the Trade Unions and asked them to refrain from pressing to an issue during the war any question of the manning of machines or hand operations, demarcation, employment of non-unionists or women, and working of un-

limited overtime. The only guarantee suggested by the employers was in the following terms:—

"The following arrangements shall have effect during the war, and shall in no way prejudice any of the parties on any of the points covered, and the parties shall at the termination of the war, as the Federation and the Unions now undertake, revert to the conditions which existed in the respective shops on the outbreak of hostilities."

These proposals were rejected by the Trade Unions, and it was after their rejection that the Government first formally intervened. Already, on January 2nd, the War Office and the Admiralty had written to the Trade Unions asking them to accelerate production, and the Board of Trade had urged the importance of a settlement. On February 4th the Government appointed the Committee on Production, which, during the following months, issued a series of reports on which subsequent Government action was largely based. In addition, on February 8th, Mr. Tennant made in the House of Commons his much criticized speech calling for the relaxation of Trade Union rules.

The most important Memoranda of the Committee on Production were issued on February 20th. They dealt respectively with the Production of Shells and Fuses, with the Avoidance of Disputes, and with the following suggested form of guarantee to workpeople:—

"In order to safeguard the position of the Trade Unions and of the workpeople concerned we think that each contracting firm should give an undertaking, to be held on behalf of the Unions, in the following terms:—

"To His Majesty's Government:

"We hereby undertake that any departure during the war from the practice ruling in our workshops and shipyards prior to the war shall only be for the period of the war.

"No change in practice made during the war shall be allowed to prejudice the position of the workpeople in our employment or of their Trade Unions in regard to the resumption and maintenance after the war of any rules or customs existing prior to the war.

"In any readjustment of staff which may have to be effected after the war, priority of employment will be given to workmen in our employment at the beginning of the war who are serving with the colors or who are now in our employment.

"Name of firm.....

"Date ....."

This suggested guarantee forms the basis of the safeguarding clauses of the Treasury Agreement.

The first fruits of the activity of the Committee on Production was the Shells and Fuses Agreement, concluded on March 5th at a Conference between the Engineering Employers' Federation and the Trade Unions concerned. Only the clauses in this agreement which deal with restoration after the war are here quoted:—

"(6) Operations on which skilled men are at present employed, but which, by reason of their character can be performed by semi-skilled or female labor, may be done by such labor during the war period.

"Where semi-skilled or female labor is employed in place of skilled labor the rates paid shall be the usual rates of the district obtaining for the operations performed.

"(7) The Federation undertakes that the fact of the restrictions being temporarily removed shall not be used to the ultimate prejudice of the workpeople or their Trade Unions.

"(8) Any federated employer shall at the conclusion of the war, unless the Government notify that the emergency continues, reinstate the working conditions of his factory on the pre-war basis, and as far as possible afford reëmployment to his men who are at present serving with His Majesty's Forces.

"(9) These proposals shall not warrant any employer making such arrangements in the shops as will effect a permanent restriction of employment of any trade in favor of semi-skilled men or female labor.

"(10) The employers agree that they will not, after this war, take advantage of this agreement to decrease wages, premium bonus times, or piecework prices (unless warranted by alteration in the means or method of manufacture) or break down established conditions, and will adopt such proposals only for the object of increasing output in the present extraordinary circumstances.

"(13) In the event of semi-skilled or female labor being employed as per the foregoing clauses they shall first be affected by any necessary discharges either before or after the war period.

"(14) The liberty of any employer to take advantage of these proposals shall be subject to acquiescence in all the provisions thereof and to intimation of his acquiescence to the local representatives of the Unions through his local association."

The last of the series of special Memoranda by the Committee on Production was published on March 4th. Acting upon these Memo-

randa, the Government summoned the first Treasury Conference for March 17th. The Conference, which was addressed by Mr. Lloyd George, appointed a special sub-committee, which afterwards became the National Labor Advisory Committee. This Committee drew up proposals, largely based on the reports of the Committee on Production, and these reports, after amendment, were endorsed by the full Conference with the exception of the Miners' Federation of Great Britain, whose delegates refused to accept compulsory arbitration, and the Amalgamated Society of Engineers, who demanded further safeguards. As we shall see, the second of these bodies subsequently accepted the agreement, these further safeguards having been promised.

It is necessary to set out in full the clauses of the Treasury Agreement dealing with the restoration of Trade Union conditions after the war, as these form the first substantial guarantee afforded to Labor.

(4) Provided that the conditions set out in paragraph (5) are accepted by the Government as applicable to all contracts for the execution of war munitions and equipments the workmen's representatives at the Conference are of opinion that during the war period the relaxation of the present trade practices is imperative, and that each Union be recommended to take into favorable consideration such changes in working conditions or trade customs as may be necessary with a view to accelerating the output of war munitions or equipments.

(5) The recommendations contained in paragraph (4) are conditional on Government requiring all contractors and sub-contractors engaged on munitions and equipments of war or other work required for the satisfactory completion of the war to give an undertaking to the following effect:—

(i.) Any departure during the war from the practice ruling in our workshops, shipyards, and other industries prior to the war shall only be for the period of the war.

(ii.) No change in practice made during the war shall be allowed to prejudice the position of the workpeople in our employment, or of their Trade Unions in regard to the resumption and maintenance after the war of any rules or customs existing prior to the war.

(iii.) In any readjustment of staff which may have to be effected after the war priority of employment will be given to workmen in our employment at the beginning of the war who are

serving with the colors or who are now in our employment.

(iv.) Where the custom of a shop is changed during the war by the introduction of semi-skilled men to perform work hitherto performed by a class of workmen of higher skill, the rates paid shall be the usual rates of the district for that class of work.

(v.) The relaxation of existing demarcation restrictions or admission of semi-skilled or female labor shall not affect adversely the rates customarily paid for the job. In cases where men who ordinarily do the work are adversely affected thereby, the necessary readjustments shall be made so that they can maintain their previous earnings.

(vi.) A record of the nature of the departure from the conditions prevailing before the date of this undertaking shall be kept and shall be open for inspection by the authorized representative of the Government.

(vii.) Due notice shall be given to the workmen concerned wherever practicable of any changes of working conditions which it is desired to introduce as the result of this arrangement, and opportunity of local consultation with men or their representatives shall be given if desired.

(viii.) All differences with our workmen engaged on Government work arising out of changes so introduced or with regard to wages or conditions of employment arising out of the war shall be settled without stoppage of work in accordance with the procedure laid down in paragraph (2).

(ix.) It is clearly understood that except as expressly provided in the fourth paragraph of clause 5 nothing in this undertaking is to prejudice the position of employers or employes after the war.

(Signed) D. Lloyd George.
Walter Runciman.
Arthur Henderson
(Chairman of Workmen's Representatives).
Wm. Mosses
(Secretary of Workmen's Representatives).

March 19th, 1915.

For convenience, the material difference between the clauses of this undertaking and those of Schedule II. of the Munitions Act are set out here, although Schedule II. itself is quoted on a later page.

Treasury Agreement	Schedule II.
Clause (iii.) "or who *are now in our employment.*"	"or who *were in the owners' employment when the establishment became a controlled establishment.*"
Clause (vi.) "conditions prevailing *before the date of this undertaking.*"	"conditions prevailing *when the establishment became a controlled establishment.*"
Clause (vii.) "desired to introduce *as a result of this arrangement.*"	"desired to introduce *as the result of the establishment becoming a controlled establishment.*"
Clause (viii.) "in accordance with *the procedure laid down in paragraph* (2)."	"in accordance with this Act without stoppage of work."

There are other small verbal changes; but these alone affect the meaning of the document. The net effect of the changes is this:—

(1) Under the Munitions Act a statutory guarantee is given applying only to controlled establishments and dating only from the day on which any particular establishment becomes controlled.

(2) Under the Treasury Agreement, this guarantee is dated back to March 19th, 1915, in the case of all establishments which availed themselves of the Treasury Agreement, whether they subsequently became controlled or not. But this guarantee has no statutory force, and rests only on an undertaking given by firms to the Government.

It will be seen that the acceptance of the Treasury Agreement by the Unions was conditional upon the employer giving a guarantee to the Government that Trade Union rules and customs should be restored after the war. It would be desirable to discover from the Government the number of guarantees from individual firms under the Treasury Agreement which they secured on behalf of the Unions between the date of the agreement and the passage of the Act.

Mr. Arthur Henderson, speaking during the Committee stage of the Munitions Bill on July 1st, 1915, used these words:—

"We have to keep in mind that this schedule has been operating since the the 19th of March, and has been made a condition of Government contracts that have been given out since that date."

The passage of the Munitions Act, it will be understood, did not remove the necessity for these guarantees, which serve to pre-date the provisions of Schedule II. by a number of months. Moreover, the Treasury Agreement applied to certain trades and industries which

did not come under the provisions of Schedule II. of the Munitions Act, and in their cases the Treasury Agreement still holds good as a guarantee of restoration. In order that the importance of this point may be realized a list of the Unions which accepted the agreement, divided into large groups, is given. It will be seen that textile workers, railwaymen, transport workers, boot and shoe operatives, and others are included.

(A.) General.
- The Parliamentary Committee of the Trades Union Congress.
- The General Federation of Trade Unions.

(B.) Engineering.
- Amalgamated Society of Engineers.
- Steam Engine Makers.
- United Machine Workers.
- Amalgamated Toolmakers.
- United Patternmakers.
- Friendly Society of Ironfounders.
- Associated Ironmolders of Scotland.
- Associated Blacksmiths and Ironworkers.
- Electrical Trades Union.
- Federation of Engineering and Shipbuilding Trades.

(C.) Shipbuilding.
- United Boilermakers and Iron and Steel Shipbuilders.
- Shipconstructors' and Shipwrights' Association.
- Sheet Iron Workers and Light Platers.
- Shipbuilding Trades Agreement Committee.

(D.) Iron and Steel Trades.
- British Steel Smelters.
- Associated Iron and Steel Workers.

(E.) Other Metal Trades.
- National Amalgamated Sheet Metal Workers.
- General Union of Braziers and Sheet Metal Workers.
- Operative Plumbers.

(F.) Woodworkers.
- Amalgamated Society of Carpenters and Joiners.
- General Union of Carpenters and Joiners.
- House and Ship Painters and Decorators.
- Scottish Painters.
- Furnishing Trades Association.
- Woodcutting Machinists.
- Amalgamated Cabinet Makers.

(G.) Laborers.
- National Union of Gasworkers and General Laborers.

Workers' Union.
National Amalgamated Union of Labor.
(H.) TRANSPORT.
National Union of Railwaymen.
National Transport Workers' Federation.
(I.) WOOLEN.
General Union of Textile Workers.
(J.) BOOT AND SHOE.
National Union of Boot and Shoe Operatives.

The Amalgamated Society of Engineers, as we have seen, was not satisfied with the safeguards provided by the Treasury Agreement. Accordingly, on March 25th, 1915, a Special Conference was held between the A.S.E. and the Government, at which Mr. Lloyd George gave, on behalf of the Government, a further undertaking in the following terms:—

ACCELERATION OF OUTPUT ON GOVERNMENT WORK

At a meeting held at the Treasury on March 25th, 1915, between the Chancellor of the Exchequer and the President of the Board of Trade and the Executive Council and Organizing District Delegates of the Amalgamated Society of Engineers, the Chancellor explained the circumstances in which it had become essential for the successful prosecution of the war to conclude an agreement with the Trade Unions for the acceleration of output on Government work. After discussion, the representatives of the Amalgamated Society of Engineers resolved that in the light of the Chancellor of the Exchequer's statement and explanations the agreement be accepted by the Union, and expressed a desire that the following statements by the Chancellor of the Exchequer in answer to questions put to him as to the meaning of various clauses in the memorandum agreed upon at a conference with workmen's representatives on March 17th–19th be put on record:—

1. That it is the intention of the Government to conclude arrangements with all important firms engaged wholly or mainly upon engineering and shipbuilding work for war purposes, under which their profits will be limited, with a view to securing that benefit resulting from the relaxation of trade restrictions or practices shall accrue to the State.

2. That the relaxation of trade practices contemplated in the agreement relates solely to work done for war purposes during the war period.

3. That in the case of the introduction of new inventions which

were not in existence in the pre-war period, the class of workmen to be employed on this work after the war should be determined according to the practice prevailing before the war in the case of the class of work most nearly analogous.

4. That on demand by the workmen the Government Department concerned will be prepared to certify whether the work in question is needed for war purposes.

5. That the Government will undertake to use its influence to secure the restoration of previous conditions in every case after the war.

D. Lloyd George.
Walter Runciman.
J. T. Brownlie, Chairman.
W. Harold Hutchinson, Executive Council.
George Ryder, Organizing District Delegate.
Robert Young, General Secretary.

II.—THE MUNITION OF WAR ACT, 1915

No further pledges were given until the passage of the Munitions of War Act in July, 1915. The effect of this Act was to create a special class of controlled establishments in which profits were limited, and "any rule, practice, or custom not having the force of law which tends to restrict production or employment" was suspended for the period of the war. The provisions for suspension of Trade Union customs and the guarantees of restoration under the Act are alike limited to controlled establishments.

The passage in the Act itself which makes provision for restoration is as follows:—

4. (4) The owner of the establishment shall be deemed to have entered into an undertaking to carry out the provisions set out in the second Schedule to this Act, and any owner or contractor or sub-contractor who breaks or attempts to break such an undertaking shall be guilty of an offense under this Act.

20. (2) This Act shall have effect only so long as the office of Minister of Munitions and the Ministry of Munitions exist:—

Provided that [Part I. of] [1] this Act shall continue to apply for a period of twelve months after the conclusion of the present war to any difference arising in relation to the performance by the owner of any establishment of his undertaking to carry out the provisions

[1] The words in square brackets were struck out in the Amending Act of 1916.

set out in the second Schedule to this Act, notwithstanding that the office of Minister of Munitions and the Ministry of Munitions have ceased to exist.

14. (1) Any person guilty of an offense under this Act—

(*a*) shall, if the offense is a contravention of or failure to comply with an award, be liable to a fine not exceeding £5 for each day or part of a day during which the contravention or failure to comply continues, and, if the person guilty of the offense is an employer, for each man in respect of whom the contravention or failure takes place.

(2) A fine for any offense, under this Act, shall be recoverable only before the munitions tribunal established for the purpose.

SCHEDULE II.

1. Any departure during the war from the practice ruling in the workshops, shipyards, and other industries prior to the war, shall only be for the period of the war.

2. No change in practice made during the war shall be allowed to prejudice the position of the workmen in the owners' employment, or of their Trade Unions in regard to the resumption and maintenance after the war of any rules or customs existing prior to the war.

3. In any readjustment of staff which may have to be effected after the war priority of employment will be given to workmen in the owners' employment at the beginning of the war who have been serving with the colors or who were in the owners' employment when the establishment became a controlled establishment.

4. Where the custom of a shop is changed during the war by the introduction of semi-skilled men to perform work hitherto performed by a class of workmen of higher skill, the time and piece rates paid shall be the usual rates of the district for that class of work.

5. The relaxation of existing demarcation restrictions or admission of semi-skilled or female labor shall not affect adversely the rates customarily paid for the job. In cases where men who ordinarily do the work are adversely affected thereby, the necessary readjustments shall be made so that they can maintain their previous earnings.

6. A record of the nature of the departure from the conditions prevailing when the establishment became a controlled establishment shall be kept, and shall be open for inspection by the authorized representative of the Government.

7. Due notice shall be given to the workmen concerned wherever practicable of any changes of working conditions which it is desired to introduce as the result of the establishment becoming a controlled

establishment, and opportunity for local consultation with workmen or their representatives shall be given if desired.

8. All differences with workmen engaged on Government work arising out of changes so introduced or with regard to wages or conditions of employment arising out of the war shall be settled in accordance with this Act without stoppage of work.

9. Nothing in this Schedule (except as provided by the third paragraph thereof) shall prejudice the position of employers or persons employed after the war.

In September the Minister of Munitions set up the Central Labor Supply Committee in order to give greater effect to the suspension of Trade Union rules. This Committee, on which employers and employed were represented, together with the Ministry of Munitions, drew up the Dilution of Labor Scheme, and the Circulars L. 2 and L. 3, which lay down rates of wages for women on men's work and for unskilled and semi-skilled men on skilled men's work. These Circulars contain no new guarantees; but, in issuing them, the Ministry of Munitions expressly drew attention to the fact that they were "strictly confined to the war period and subject to the observance of Schedule II. of the Munitions of War Act."

III.—THE MUNITIONS OF WAR (AMENDMENT) ACT, 1916

Most of the new guarantees given to Labor in connection with the amendment of the Munitions Act at the close of 1915 dealt rather with the rates of wages to be paid during the war and with the actual administration of the Act than with the question of restoration. Attempts were made to introduce a new clause greatly extending the scope of the records of departures from Trade Union custom which must be kept under Schedule II. This, however, was opposed by the Government, and negatived without a division. The only clause containing an important new guarantee had to do with the question of non-union labor [1]:—

15. Where non-union labor is introduced during the war into any class of work in a controlled establishment in which it was the practice prior to the war to employ union labor exclusively, the owner of the establishment shall be deemed to have undertaken that such introduction shall be only for the period of the war, and if he breaks or attempts to break such an undertaking he shall be guilty of an offense under the principal Act and liable to a fine not exceeding

[1] Two purely drafting amendments designed to remedy technical flaws in the principal Act have been ignored, and, in describing the principal Act, it has been assumed that these amendments have taken effect.

£50; but, subject as aforesaid, such introduction shall not be deemed to be a change of working conditions.

IV.—SUMMARY OF THE GUARANTEES

1. A general promise has been given, and many times repeated, that all changes made during the war are only for the period of the war, and that restoration will take place in all cases when the war is over.

2. Statutory form has been given to this promise in the case of establishments which are controlled under the Munitions of War Acts. Only in such establishments are Trade Union rules suspended by law, and only in such establishments is there a *legal* guarantee of restoration.

3. In other cases, i.e., in regard to establishments which are not controlled and in industries outside the scope of Part II. of the Munitions Act, the guarantees of restoration depend on the Treasury Agreement and on undertakings entered into by firms and by the Government. These guarantees are obligations of honor; but are not *legally* enforceable.

4. Priority of employment after the war is guaranteed by law in the case of controlled establishments to men serving with the colors, and to men who were employed in any establishment when it became controlled.

5. A similar guarantee, resting upon the Treasury Agreement and not legally enforceable, exists in the case of establishments which are not controlled. This guarantee also holds good as from March 19th, 1915, in the case of establishments which subsequently became controlled (i.e., a man who was employed between March and July in an establishment which became controlled under the Munitions Acts is guaranteed priority of employment under the Treasury Agreement).

6. The Government has given a promise, which has not the force of law, that where new inventions are introduced, the class of workmen to operate them after the war shall be determined according to the practice prevailing before the war in the nearest analogous class of work.

7. It is guaranteed by law that where non-union labor is introduced on any class of work in a controlled establishment, in which it was the practice prior to the war to employ union labor exclusively, the introduction of such labor shall be only for the war period.

V.—NOTE ON GOVERNMENT ESTABLISHMENTS

The question has arisen whether the Government itself, in its capacity as employer, is bound by the above pledges. The following answer, given by the Prime Minister on August 21st, 1916, in answer to a question by Mr. Dunean, explains the position:—

"The Crown, not being expressly named in the Munitions of War Act, 1915, is not as a matter of law bound by its provisions. There is a special machinery for settling such questions in the dockyards to which it seems desirable to resort in the first instance. There are other cases in which it is practically impossible to arbitrate in regard to isolated classes without reference to the interest of others. It is quite recognized that, subject to exceptional cases, the spirit of this provision of the Act should be observed by Government Departments."

The question and answer in this case refer only to "the provisions for the avoidance of disputes enforced upon private employers"; but it is to be presumed that the answer applies in principle to the restoration of Trade Union conditions after the war.

APPENDIX

In the following Appendix there have been gathered together for reference the most important statements made by responsible members of the Government on the question of Trade Union rules. Extracts from the early speeches of Mr. Tennant and Mr. Harold Baker, on behalf of the War Office, in February, 1915, though they contain no reference to guarantees, have been given because they are the earliest Government pronouncements on the matter of Trade Union rules. Apart from these two extracts, only passages containing explicit promises of restoration after the war are included:—

MR. TENNANT'S SPEECH, HOUSE OF COMMONS, FEBRUARY 8TH, 1915:—

"I would appeal to the hon. gentlemen below the gangway (the Labor Party) to help us to organize the forces of labor, to help us so that where one man goes to join the colors his place may be taken by a man who is not of military age, or of military physique, or by a woman. I believe that might be done.

"I would ask them to assist the Government also in granting only for the period of the war some form of relaxation of their rules and regulations.

"In the works of many firms, not so much armament firms as clothing firms, Factory Act rules and regulations have been largely abrogated already, and I would seriously ask the Labor Party whether they could not prevail upon the Trade Unionists in this country to adopt a measure of a purely temporary kind for the relaxation of some of the more stringent regulations."

Mr. Harold Baker's Speech, House of Commons, February 9th, 1915:—

"There are certain steps which may be considered desirable. The Trade Unions have a perfectly proper desire to safeguard their interests against the time when peace returns. If we leave these things to be settled by fair and proper discussion outside we shall be more likely to achieve the result desired."

Lord Kitchener's Speech, House of Lords, March 15th, 1915:—

"It has been brought to my notice on more than one occasion that the restrictions of Trade Unions have undoubtedly added to our difficulties, not so much in obtaining sufficient labor, as in making the best use of that labor. I am confident, however, that the seriousness of the position as regards our supplies has only to be mentioned and all concerned will agree to waive for the period of the war any of those restrictions which prevent in the very slightest degree our utilizing all the labor available to the fullest extent that is possible."

"The second proposition is the suspension where necessary during the war of restrictions of output. Here, again, I want to make it perfectly clear that I am only discussing this suspension during the war. The increase in output is so essential to us, where we have to turn out munitions of war not merely for ourselves but to help our Allies, that I do hope you will help us for the moment by suspending the operation of any rules or regulations which tend to diminish the output. I know it is a very difficult question for you to decide upon, but it is very important for the State at the present juncture."

Mr. Asquith's Speech, March 20th, 1915:—

"What are those sacrifices? They may, I think, be summarized under three heads—limitation of profits, the temporary suspension of restrictive rules and customs, and the provision of reasonable compensation in cases of proved injury or loss. The first, you observe, falls upon the employer, and the second upon the men—especially upon those men who are members of Trade Unions—and the third

upon the State. Let me deal with each of them in a single sentence. As to profits, I believe we shall all agree that the firms and companies who are supplying the State with munitions of war should not be entitled thereby to make undue profits out of them. That we know is the opinion, and is going to be the practice of some of the greatest and most representative of those bodies. Under the second head, I believe there is an equally general agreement, and I hope and trust that that agreement will be translated into practice, and that restrictive regulations, whether as regards output or as regards demarcation of different classes of labor—regulations on long experience, which we may without prejudice agree to be quite appropriate to normal conditions—may be suspended while war lasts, to be resumed thereafter. I know well that an agreement to that effect has been come to between the Federation of Engineering Employers and the great Trade Union, the Amalgamated Society of Engineers, which is the custodian and the experienced and tried trustee of the interests of the men, and I would venture to express a strong appeal that the agreement may be carried out not only as between the parties to it, but with the general assent of all men who in this critical stage of our fortunes are engaged in the fabrications of munitions of war. They will suffer for nothing in the long run.

"I am not one of those, if there be such, who think that in these matters the Trade Unions have been pursuing chimeras or indulging in a passion for domineering and restrictive regulation. I believe, on the contrary, that the great bulk, I won't say all—many of them are much open to argument—but the great bulk of the rules and customs which they have adopted as the fruit of long experience are justified by that experience, and have tended not to diminish but to increase the output of our industries. But we are living in exceptional times. We have to meet a special emergency, and you may be sure they will not be prejudicing the interests of their Unions or the cause which the Union represents if they consent, so long as those critical conditions prevail, to a temporary waiving and suspension of those customs and rules."

Mr. Lloyd George, Treasury Conference, March 22nd, 1915:—

"As to that . . . we realized that when Labor was making concessions to us by relaxing certain rules during the period of the war Labor was quite right in insisting on the strictest safeguards against those concessions being abused. I think you may say that we have practically accepted the safeguards suggested by the delegates; we were so entirely in agreement with them as to the desirability of protecting the workmen's interests in the matter."

MR. LLOYD GEORGE'S SPEECH, HOUSE OF COMMONS, INTRODUCING THE MUNITIONS BILL, JUNE 23RD, 1915.

"The next thing is the suspension during the war, on the honor and pledge of the nation that things would be restored exactly to the position they were in before the suspension, of all these restrictions and practices that interfere with the increase of the output of war materials."

THE HOME SECRETARY (SIR JOHN SIMON), SPEAKING ON THE SECOND READING OF THE MUNITIONS BILL, JUNE 28TH, 1915.

"In the first place, you must make it plain, and you must not only make it plain, but as far as may be you must provide in your Statute that this concession that workpeople make in the crisis of the war for the country's sake is a temporary concession, which does not in the least prejudice their established rights so hardly won after, in many cases, a long struggle in times past. This is a provision for the war, and for the war only, and it is an essential condition of that which we are asking, that when the war is over the honor of the House of Commons is pledged, the promise of the Government is given, and all who really try to carry this Bill undertake that organized workpeople are not to suffer because of the temporary abandonment of Trade Union restrictions."

MR. LLOYD GEORGE'S STATEMENT IN THE HOUSE OF COMMONS ON PROGRESS OF MUNITIONS DEPARTMENT, JULY 28TH, 1915.

"I hope they will take not merely a promise, but a solemn undertaking put in an Act of Parliament by which not merely the Government, but the whole of the House of Commons and the House of Lords undertook that at the end of the war the fact of their abandoning those practices now will not prevent them restoring the practices at the end of the war. It is so vital that this should be done during the war that even an undertaking of that kind must be honored."

MR. LLOYD GEORGE'S SPEECH TO THE TRADES UNION CONGRESS, SEPTEMBER 9TH, 1915:—

"The next undertaking we gave was that we would give a guarantee that at the end of the war the pre-war conditions would be restored. How have we done that? We have done it, not merely by solemn declaration on the part of the Government, but we have embodied them in an Act of Parliament. We have a statutory guarantee carried unanimously by Parliament, by men of all parties—employers, workmen, Liberal, Unionist, conscriptionist, anti-conscriptionist, pro-German, and anti-German—all sorts and conditions of men. They are all in it, and they are all committed to that guarantee."

MR. ASQUITH'S REPLY TO THE TRIPLE ALLIANCE DEPUTATION, AUGUST 3RD, 1916. ("TIMES" REPORT.)

"Mr. Asquith said they were already taking steps to collect and classify the various war pledges, if he might so describe them, which had been given affecting Trade Union practices. So far as something like 4,000 controlled establishments were concerned, Part I. of the Munitions Act provided for the continuance of an arbitration machinery for the interpretation of these agreements for a year after the war, and the Government were carefully considering what machinery was required to dispose of differences of interpretation, if there be such, in agreements affecting other works and establishments. Speaking generally on this point, he wished to say that the pledges which had been given, and the obligations incurred under them, were, in the view of the Government, obligations of honor and indisputably valid, and nothing but the assent of all the parties concerned could vary them or dispense with their complete fulfilment."

("DAILY CHRONICLE" REPORT.)

"On the first of the five proposals put before him (restoration of Trade Union practices after the war) the Prime Minister said that most explicit and emphatic pledges had been given that all Trade Union conditions should be restored after the war, and the Government had no intention of departing from that pledge in the least degree. Provision was made for the interpretation of these agreements in all controlled establishments, and the Government was carefully considering the kind of machinery to be set up to dispose of the difficulties of interpretation in other establishments."

MR. MONTAGU'S SPEECH, HOUSE OF COMMONS, AUGUST 15TH, 1916.

"But the cessation of disputes and the postponement of the reforms which slowly emerged from the clash of conflicting interests do not exhaust the full measure of the sacrifices which organized Labor has made. The Trade Unions place on one side the whole armor of Trade Union regulations upon which they had hitherto relied. For the weapons slowly forged during long years of struggle —rules and customs relating to hours of labor, overtime, the right of entrance to trades, demarcation of industry, the regulation of boy labor, and the exclusion of women from certain classes of occupations—all these, directly or indirectly, might have tended to reduce the output during the war. The Government asked Labor to put all these on one side. It was a great deal to ask. I doubt if any community has ever been asked for greater sacrifices, but with a loyalty and statesmanship which cannot be over-estimated the request was

readily granted. The Trade Unions required, and they were right to require, a scrupulous record and recognition of what they were conceding. It was promised to them as a right, but they will receive more, not only the restoration of the system they temporarily abandoned, but the gratitude of the Army and of the nation, and they will, I trust, place the nation still further in their debt by playing an important part in devising some system which will reconcile in the future conflicting industrial interests."

APPENDIX F

THE LABOR PARTY'S STATEMENT ON THE LABOR PROBLEMS AFTER THE WAR

DEMOBILIZATION

(i.) That when peace comes the demobilization and discharge of the seven or eight million wage-earners now paid from public funds, either for service with the Colors or on munition work and other war trades, will bring to the whole wage-earning class grave peril of Unemployment, Reduction of Wages, and a lasting Degradation of the Standard of Life, which can be prevented only by deliberate National Organization;

(ii.) That this Conference accordingly calls upon the Government to formulate its plan, and make in advance all arrangements necessary for coping with so unparalleled a dislocation of industry;

(iii.) That regard should be had, in stopping Government orders, reducing the staff of the National Factories, and demobilizing the Army to the state of the Labor Market in particular industries and in different districts, so as both to supply the kinds of labor most urgently required for the revival of peace production, and to prevent any congestion of Unemployed;

(iv.) That it is imperative that suitable provision against being turned suddenly adrift without resources should be made not only for the soldiers, but also for the three million operatives in munition work and other war trades, who will be discharged before most of the Army can be disbanded;

(v.) That the Conference, noting the month's furlough, gratuity, free railway ticket, and a year's Unemployment Benefit if out of work already promised to the soldier, urges that (*a*) there should be no gap between the cessation of his pay and separation allowance and the beginning of his Unemployment Benefit, and (*b*) that this special ex-soldier's Unemployment Benefit given to all should be additional to any Benefit under the National Insurance Act, to which many men are already entitled in respect of contributions deducted from their wages; and

(vi.) That any Government which allows the discharged soldier to

fall into the clutches of the Poor Law should be instantly driven from office by an outburst of popular indignation.

THE MACHINERY FOR SECURING EMPLOYMENT

(i.) That the Conference emphatically protests against the work of re-settling the disbanded soldiers and discharged munition workers into new situations—which is a national obligation—being deemed a matter for charity; and against this public duty being handed over either to committees of philanthropists or benevolent societies, or to any of the military or recruiting authorities;

(ii.) That in view of the fact that the best organization for placing men in situations is a national Trade Union having local Branches throughout the Kingdom, every soldier should be allowed, if he chooses, to have a duplicate of his industrial discharge notice sent through, one month before the date fixed for his discharge, to the Secretary of the Trade Union to which he belongs or wishes to belong;

(iii.) That, apart from this use of the Trade Union, it is necessary to make use of some such public machinery as that of the Employment Exchanges, but that before the existing Exchanges (which would need to be greatly extended) can receive the coöperation and support of the organized Labor Movement, without which their operations can never be fully successful, it is imperative that they should be drastically reformed on the lines laid down in the Demobilization Report of the Labor after the War Committee, and, in particular, that each Exchange should be placed under the supervision and control of a Joint Committee of Employers and Trade Unionists, in equal numbers.

(iv.) That no Trade Union shall be brought within Part II. of the National Insurance Act, whether administered by the Employment Exchanges or otherwise, unless it has been first consulted, and agrees to its inclusion therein.

THE RESTORATION OF TRADE UNION CONDITIONS

(i.) That this Conference reminds the Government that it is pledged unreservedly and unconditionally, and the nation with it, in the most solemn manner, to the Restoration after the War of all the rules, conditions and customs that prevailed in the workshops before the War; and to the abrogation, when peace comes, of all the changes introduced not only in the National Factories and the 4,500 Controlled Establishments, but also in the large number of others to which provisions of the Munitions Acts have been applied;

(ii.) That the Conference places on record its confident expectation and desire that if any employers should be so unscrupulous as to hesitate to fulfil this pledge, the Government will see to it that, in no industry and in no district, is any quibbling evasion permitted of an obligation in which the whole Labor Movement has an interest.

(iii.) In view of the unsatisfactory character of the provisions in the Munitions Act dealing with the restoration of Trade Union customs after the war, the Conference calls upon the Government to provide adequate statutory machinery for restoration:

"(a) By securing that all provisions in the Acts necessary to enforce restoration shall continue in operation for a full year after the restrictive provisions abrogating Trade Union rules (Section 4 (3), and giving Munitions Tribunals disciplinary powers over workmen (Section 7) have been terminated.

"(b) By removing all restrictions upon the right of the workmen to strike for the restoration of the customs which have been abrogated.

"(c) By limiting Compulsory Arbitration strictly to the War period and providing fully that the right to prosecute an employer for a failure to restore Trade Union customs shall continue for a full year after the termination of the restrictive powers in the Acts.

"The Conference further calls upon Parliament to limit all restrictive legislation directed against workpeople strictly to the War period, and, subject to the above exceptions, calls for the abrogation of restrictive clauses in the Munitions of War Acts and in the Defense of the Realm Acts, immediately upon the conclusion of hostilities."

THE PREVENTION OF UNEMPLOYMENT

(i.) That in the opinion of this Conference it is the duty of the Government to adopt a policy of deliberately and systematically preventing the occurrence of Unemployment, instead of (as heretofore) letting Unemployment occur, and then seeking, vainly and expensively, to relieve the Unemployed;

(ii.) That the Government can, if it chooses, arrange the public works and the orders of National Departments and Local Authorities in such a way as to maintain the aggregate demand for labor in the whole Kingdom (including that of capitalist employers) approximately at a uniform level from year to year; and it is therefore the first duty of the Government to prevent any considerable or widespread fluctuations in the total numbers employed in times of good or bad trade.

(iii.) That in order to prepare for the possibility of there being extensive Unemployment, either in the course of demobilization, and in the first years of peace, it is essential that the Government should make all necessary preparations for putting instantly in hand directly or through the Local Authorities, such urgently needed public works as (*a*) the rehousing of the population alike in rural districts, mining villages and town slums, to the extent, possibly, of 200 millions sterling; (*b*) the immediate making-good of the shortage of schools, training colleges, technical colleges, etc.; (*c*) new roads; (*d*) light railways; (*e*) the reorganization of the canal system; (*f*) afforestation; (*g*) the reclamation of land; (*h*) the development and better equipment of our ports and harbors; (*i*) the opening up of access to land by small holdings and other practicable ways.

(iv.) That in order to relieve any pressure of an overstocked Labor Market, the opportunity should be taken (*a*) to raise the school-leaving age to 16; (*b*) to increase the number of bursaries for Secondary and Higher Education; and (*c*) to shorten the hours of labor of all young persons to enable them to attend technical and other classes in the daytime.

(v.) That wherever practicable the hours of labor should be reduced to not more than 48 per week, without reduction of the standard rates of wages; and that legislation should be introduced accordingly.

THE MAINTENANCE OF THE STANDARD OF LIFE

(i.) That it is of supreme national importance that there should not be any Degradation of the Standard of Life of the population; and it is accordingly the duty of the Government to see to it that, when peace comes, the Standard Rates of Wages in all trades should, relatively to the cost of living, be fully maintained.

(ii.) That is should be made clear to employers that any attempt to reduce the customary rates of wages when peace comes, or to take advantage of the dislocation of demobilization to worsen the conditions of labor, will certainly lead to embittered industrial strife, which will be in the highest degree detrimental to the national interests; and the Government should therefore take steps to avert such a calamity.

(iii.) That the Government should not only, as the greatest employer of labor, set a good example in this respect, but should also seek to influence employers by proclaiming in advance that it will not attempt to lower the Standard Rates or conditions in public

employment, by announcing that it will insist on the most rigorous observance of the Fair Wages Clause in public contracts, and by recommending every Local Authority to adopt the same policy.

THE LEGAL MINIMUM WAGE

(i.) That the Coal Mines (Minimum Wage) Act should be maintained in force, and suitably amended so as to ensure greater uniformity of conditions among the several districts, and so as to make the District Minimum in all cases an effective reality;

(ii.) That in view of the fact that many millions of wage-earners, notably, women, carmen, agricultural laborers, and workmen in various occupations, are unable by combination to obtain wages adequate for decent maintenance in health, the Trade Boards Act should be amended and made to apply to all industrial employments in which the bulk of those employed obtain less than 30s. per week.

(iii.) That this minimum of not less than 30s. per week be a statutory minimum for all trades.

THE NATIONALIZATION OF RAILWAYS

(i.) That the Conference most emphatically protests against the Railways, which are under Government control, being handed back after the war to the control of the shareholders, whose only interest is that of extracting the largest possible dividend;

(ii.) The Conference asks that the partial Nationalization which has taken place should be completed and extended to those canals which are still outside railway control; and the shareholders should be got rid of by taking over their present property at its fair market value; and that the transformation of the railways and canals into a unified public service of transport and communication, administered solely in the public interest with arrangements for the participation in the managements, both local and central, of all grades of employees, should be one of the first tasks of the Government after the war.

THE NATIONALIZATION OF MINES

(i.) That in the opinion of this Conference the time has come when this country should no longer be dependent for its coal supply on a small number of capitalist colliery proprietors, coal-merchants and dealers, among whom there is an increasing tendency to combinations and price-arrangements, by which the consumer is made to pay a quite unnecessary price for coal; and that the Government

should at once take over all coal and other mines, work them as a national enterprise, and appropriate to the nation all rents and profits;

(ii.) That in organizing the nation's coal supply on the basis of production for use instead of production for profit, due arrangements should be made for the participation in the management, both local and central, of the employees of all grades;

(iii.) That the Government Coal Department might undertake the supply for export and shipping, the Local Authorities and all industrial consumers of any magnitude; delivering the coal for domestic consumption to any railway station at a fixed price, as unalterable and as uniform as that of the postage stamp, for retailing and delivery at a fixed additional charge just covering cost.

AGRICULTURE

(i.) That the present arrangements for the production and distribution of food in this country amount to nothing short of a national disgrace, and must be radically altered without delay;

(ii.) That it is imperative that the Government should promptly resume control of the nation's agricultural land, and organize its utilization not for rent, not for game, not for the social amenity of a small social class, not even for obtaining the largest percentage on the capital employed, but solely with a view to the production of the largest possible proportion of the foodstuffs required by the population of these islands at a price not exceeding that for which they can be brought from other lands;

(iii.) That this can probably best be attained by a combination of (*a*) Government farms, administered on a large scale, with the utmost use of machinery; (*b*) Small Holdings made accessible to practical agriculturists; (*c*) Municipal enterprises in agriculture, in conjunction with municipal institutions of various kinds, milk depots, sewage works, etc.; (*d*) farms let to Coöperative Societies and other tenants, under covenants requiring the kind of cultivation desired;

(iv.) That under all systems the agricultural laborer must be secured a decent cottage, an allotment, and a Living Wage;

(v.) That the distribution of foodstuffs in the towns—from milk and meat to bread and vegetables—should be taken out of the hands of the present multiplicity of dealers and shopkeepers, and organized by Democratic Consumers, Coöperative Societies and the Local Authorities working in conjunction.

TAXATION

(i.) That in view of the enormous debts contracted during the war and of the necessity to lighten national financial burdens in order to enable the country to compete successfully on the markets of the world so soon as peace comes, this Conference demands that an equitable system of conscription of accumulated wealth should be put into operation forthwith, believing that no system of income tax or excess profits duties will yield enough to free the country from oppressive debts, and that any attempt to tax food or the other necessities of life would be unjust and ruinous to the masses of the people;

(ii.) That the only solution of the difficulties that have arisen is a system of taxation by which the necessary national income shall be derived mainly from direct taxation and imposts upon luxuries, and that the taxation upon unearned incomes should be substantially increased and graded so that on the higher scales it should be not less than 15s. in the pound;

(iii.) That the whole system of land taxation should be revised so that effect should be given to the fact that the land of the nation, which has been defended by the lives and sufferings of its people, shall belong to the nation and be used for the nation's benefit.

(iv.) That as during the war the Government has had to come to the assistance of the banking institutions of the country, and that it has been found necessary to pay very high rates for the money raised, adding considerably to the annual burden resulting from the war, every effort should be made to nationalize the banking system of the country in order to free the community from private exploitation.

"That this Conference emphatically protests against the repeated attempts to bring Coöperative dividends within the scope of the Income Tax."

"That this Conference, recognizing that the huge national expenditure, caused by the War, has to be met by increased taxation, declares that those who claim the ownership of the land of the country should be required to make a special contribution towards its defense. It therefore calls upon the Government to impose a direct tax on land values in the next Budget, and to enable this to be done, to use the powers conferred by the Defense of the Realm Act to compel all owners of land to furnish an immediate declara-

tion of the present value, extent, and character of all land in their possession.

"That this Conference affirms that such a tax, in addition to providing a large amount of revenue, would open up the land to the people, increase the production of home grown food, and thus materially reduce the prevailing high cost of living, tend to raise wages, and lessen the evil of unemployment which threatens on the close of the war."

FRANCHISE

(i.) That this Conference declares that the war has made obsolete all our past system of enfranchisement and registration;

(ii.) That the only solution of the difficulties that have arisen is Adult Suffrage, including women;

(iii.) That registration should be so conducted that every properly qualified person should have the opportunity to vote at elections, and that this entails both a short period of qualification and continuous registration;

(iv.) That soldiers and munition workers should not only have the right of voting conferred upon them, but that arrangements should be made by which that right can be exercised, including the provision of facilities for all candidates to put their views fairly before these electors; and that as far as possible similar arrangements should be made for the convenience of seamen and other electors necessarily absent from thir constituencies;

(v.) That redistribution of electorates should take place at once;

(vi.) That no election conducted on the present register, or before the above changes have been made, can return a Parliament which represents the nation.

THE POSITION OF WOMEN AFTER THE WAR

"That in view of the great national services rendered by women during this time of war, and of the importance of maintaining a high level of wages for both men and women workers, this Conference urges:

"(i.) That work or maintenance at fair rates should be provided for all women displaced from their employment to make way for men returning from service with the forces or other national work.

"(ii.) That full inquiry should be made into trades and processes previously held to be unhealthy or in any way unsuitable for women, but now being carried on by them, with a view to making recommendations as to their further employment in such trades.

"(iii.) That all women employed in trades formerly closed to them should only continue to be so employed at Trade Union rates of wages.

"(iv.) That Trade Unions should accept women members in all trades in which they are employed."

EDUCATION AND CHILD WELFARE

Administrative

"Such alterations of the Education Act of 1902 as shall secure full public responsibility for the maintenance and control of all grades of schools, colleges and universities.

"Abolition of all education fees.

"Raising of the school leaving age to 16, with increased number of maintenance grants, graded according to age and circumstances.

"Universal free compulsory secondary education.

"No partial or half time exemptions before fulfilment of regular secondary course, and not then unless agreed to by the school doctor.

"Education Authority to have equal jurisdiction over part time factory employment as over non-factory employment.

"Larger proportion of local education costs to be borne by National Treasury.

"Pensions for secondary teachers, as in case of elementary teachers in England.

Hygienic

"Hygienic conditions in elementary schools to be brought up to minimum standard of best secondary schools.

"School Doctor to be certifying surgeon for half-timers and young persons in employment.

"Full scheme of free public medical service to expectant and nursing mothers and their children; in the case of the latter, to be continued up to school age and properly coördinated with the school medical service.

"Swimming baths, gymnasia, and the best known scheme of physical training for every child passing through the schools.

"A scheme of physical instruction for all young people from 16 to 20 years of age.

"Amendment of Provision of Meals Act, so as to provide meals out of public funds for all school children certified by the school doctor to be improperly or insufficiently nourished.

EDUCATIONAL

"Higher scale of teachers' salaries and higher minimum standard of equipment for teachers, with fuller provision of facilities for intending teachers, and more generous public help for all accepted candidates.

"Reduction of size of classes in elementary schools to that of secondary schools.

"Playing fields to be provided for elementary schools.

"All higher forms of education, Technical and University, to be coördinated under public control and entirely free to all pupils desirous of undertaking the course provided.

"Principle of open-air schools to be adopted for all schools at earliest possible moment. A great increase of the system of camp schools, vacation centers. Travel studies by sea and land.

"No specialization until last year of secondary school course, when bias given in direction, Technical, Professional or Commercial, as part of a general education."

APPENDIX G

INDUSTRIAL REPORTS. NUMBER I. INDUSTRIAL COUNCILS

The Whitley Report, together with the Letter of the Minister of Labor explaining the Government's view of its proposals.

I. LETTER ADDRESSED BY THE MINISTER OF LABOR TO THE LEADING EMPLOYERS' ASSOCIATIONS AND TRADE UNIONS

MINISTRY OF LABOR,
MONTAGU HOUSE,
WHITEHALL, S.W. 1.
20*th October*, 1917.

SIR,

In July last a circular letter was addressed by the Ministry of Labor to all the principal Employers' Associations and Trade Unions asking for their views on the proposals made in the Report of the Whitley Committee on Joint Standing Industrial Councils, a further copy of which is enclosed. As a result of the replies which have been received from a large number of Employers' organizations and Trade Unions generally favoring the adoption of those proposals, the War Cabinet have decided to adopt the Report as part of the policy which they hope to see carried into effect in the field of industrial reconstruction.

In order that the precise effect of this decision may not be misunderstood, I desire to draw attention to one or two points which have been raised in the communications made to the Ministry on the subject, and on which some misapprehension appears to exist in some quarters.

In the first place, fears have been expressed that the proposal to set up Industrial Councils indicates an intention to introduce an element of State interference which has hitherto not existed in industry. This is not the case. The formation and constitution of the Councils must be principally the work of the industries themselves. Although, for reasons which will be explained later, the

Government are very anxious that such Councils should be established in all the well-organized industries with as little delay as possible, they fully realize that the success of the scheme must depend upon a general agreement among the various organizations within a given industry and a clearly expressed demand for the creation of a Council. Moreover, when formed, the Councils would be independent bodies electing their own officers and free to determine their own functions and procedure with reference to the peculiar needs of each trade. In fact, they would be autonomous bodies, and they would, in effect, make possible a larger degree of self-government in industry than exists to-day.

Secondly, the Report has been interpreted as meaning that the general constitution which it suggests should be applied without modification to each industry. This is entirely contrary to the view of the Government on the matter. To any one with a knowledge of the diverse kinds of machinery already in operation, and the varying geographical and industrial conditions which affect different industries it will be obvious that no rigid scheme can be applied to all of them. Each industry must therefore adapt the proposals made in the Report as may seem most suitable to its own needs. In some industries, for instance, it may be considered by both employers and employed that a system of Works Committees is unnecessary owing to the perfection of the arrangements already in operation for dealing with the difficulties arising in particular works between the management and the trade union officials. In others Works Committees have done very valuable work where they have been introduced and their extension on agreed lines deserves every encouragement. Again, in industries which are largely based on district organizations it will probably be found desirable to assign more important functions to the District Councils than would be the case in trades which are more completely centralized in national bodies. All these questions will have to be threshed out by the industries themselves and settled in harmony with their particular needs.

Thirdly, it should be made clear that representation on the Industrial Councils is intended to be on the basis of existing organizations among employers and workmen concerned in each industry, although it will, of course, be open to the Councils, when formed, to grant representation to any new bodies which may come into existence and which may be entitled to representation. The authority, and consequently the usefulness of the Councils will depend entirely on the extent to which they represent the different interests

and enjoy the whole-hearted support of the existing organizations, and it is therefore desirable that representation should be determined on as broad a basis as possible.

Lastly, it has been suggested that the scheme is intended to promote compulsory arbitration. This is certainly not the case. Whatever agreements may be made for dealing with disputes must be left to the industry itself to frame, and their efficacy must depend upon the voluntary coöperation of the organizations concerned in carrying them out.

I should now like to explain some of the reasons which have made the Government anxious to see Industrial Councils established as soon as possible in the organized trades. The experience of the war has shown the need for frequent consultation between the Government and the chosen representatives of both employers and workmen on vital questions concerning those industries which have been most affected by war conditions. In some instances different Government Departments have approached different organizations in the same industry, and in many cases the absence of joint representative bodies which can speak for their industries as a whole and voice the joint opinion of employers and workmen, has been found to render negotiations much more difficult than they would otherwise have been. The case of the cotton trade, where the industry is being regulated during a very difficult time by a Joint Board of Control, indicates how greatly the task of the State can be alleviated by a self-governing body capable of taking charge of the interests of the whole industry. The problems of the period of transition and reconstruction will not be less difficult than those which the war has created, and the Government accordingly feel that the task of rebuilding the social and economic fabric on a broader and surer foundation will be rendered much easier if in the organized trades there exist representative bodies to which the various questions of difficulty can be referred for consideration and advice as they arise. There are a number of such questions on which the Government will need the united and considered opinion of each large industry, such as the demobilization of the Forces, the re-settlement of munition workers in civil industries, apprenticeship (especially where interrupted by war service), the training and employment of disabled soldiers, and the control of raw materials; and the more it is able to avail itself of such an opinion the more satisfactory and stable the solution of these questions is likely to be.

Further, it will be necessary in the national interest to ensure

a settlement of the more permanent questions which have caused differences between employers and employed in the past, on such a basis as to prevent the occurrence of disputes and of serious stoppages in the difficult period during which the problems just referred to will have to be solved. It is felt that this object can only be secured by the existence of permanent bodies on the lines suggested by the Whitley Report, which will be capable not merely of dealing with disputes when they arise, but of settling the big questions at issue so far as possible on such a basis as to prevent serious conflicts arising at all.

The above statement of the functions of the Councils is not intended to be exhaustive, but only to indicate some of the more immediate questions which they will be called upon to deal with when set up. Their general objects are described in the words of the Report as being "to offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous coöperation in the promotion of industry." Some further specific questions, which the Councils might consider, were indicated by the Committee in paragraph 16 of the Report, and it will be for the Councils themselves to determine what matters they shall deal with. Further, such Councils would obviously be the suitable bodies to make representations to the Government as to legislation, which they think would be of advantage to their industry.

In order, therefore, that the Councils may be able to fulfil the duties which they will be asked to undertake, and that they may have the requisite status for doing so, the Government desire it to be understood that the Councils will be recognized as the official standing Consultative Committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions with which the industry is concerned. It will be seen, therefore, that it is intended that Industrial Councils should play a definite and permanent part in the economic life of the country, and the Government feels that it can rely on both employers and workmen to coöperate in order to make that part a worthy one.

I hope, therefore, that you will take this letter as a formal request to your organization on the part of the Government to consider the question of carrying out the recommendations of the Report so far as they are applicable to your industry. The Ministry of Labor will be willing to give every assistance in its power in the establishment of Industrial Councils, and will be glad to receive

DEPARTMENT OF
University
of
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LIBRARY

suggestions as to the way in which it can be given most effectively. In particular, it will be ready to assist in the convening of representative conferences to discuss the establishment of Councils, to provide secretarial assistance and to be represented, if desired, in a consultative capacity at the preliminary meetings. The Ministry will be glad to be kept informed of any progress made in the direction of forming Councils. Although the scheme is only intended, and indeed can only be applied, in trades which are well organized on both sides, I would point out that it rests with those trades which do not at present possess a sufficient organization to bring it about if they desire to apply it to themselves.

In conclusion, I would again emphasize the pressing need for the representative organizations of employers and workpeople to come together in the organized trades and to prepare themselves for the problems of reconstruction by forming Councils competent to deal with them. The Government trust that they will approach these problems not as two opposing forces each bent on getting as much and giving as little as can be contrived, but as forces having a common interest in working together for the welfare of their industry, not merely for the sake of those concerned in it, but also for the sake of the nation which depends so largely on its industries for its well-being. If the spirit which has enabled all classes to overcome by willing coöperation the innumerable dangers and difficulties which have beset us during the war is applied to the problems of Reconstruction, I am convinced that they can be solved in a way which will lay the foundation of the future prosperity of the country and of those engaged in its great industries.

I am, Sir,

Your obedient servant,

GEO. H. ROBERTS.

INDUSTRIAL COUNCILS

REPORT OF THE RECONSTRUCTION COMMITTEE ON RELATIONS BETWEEN EMPLOYERS AND EMPLOYED

The Committee consisted of the following members:—

THE RIGHT HON. J. H. WHITLEY, M.P., Chairman.
(Chairman of Committees, House of Commons.)

Mr. F. S. BUTTON (formerly Member of Executive Council, Amalgamated Society of Engineers).

Sir G. J. Carter, K.B.E. (Chairman, Shipbuilding Employers' Federation).
Professor S. J. Chapman, C.B.E. (Professor of Political Economy, University of Manchester).
Sir Gilbert Claughton, Bart. (Chairman, London and North Western Railway Company).
Mr. J. R. Clynes, M.P. (President National Union of General Workers).
Mr. J. A. Hobson.
Miss Susan Lawrence (Member of London County Council and Member of the Executive Committee of the Women's Trade Union League).
Mr. J. J. Mallon (Secretary, National Anti-Sweating League).
Sir Thos. A. Ratcliffe-Ellis (Secretary, Mining Association of Great Britain).
Mr. Robert Smillie (President, Miners' Federation of Great Britain).
Mr. Allan M. Smith (Chairman, Engineering Employers' Federation).
Miss Mona Wilson (National Health Insurance Commissioner).

Mr. H. J. Wilson, Ministry of Labor,
Mr. Arthur Greenwood,
Secretaries.

To the Right Honorable D. Lloyd George, M.P., Prime Minister.

Sir,

We have the honor to submit the following Interim Report on Joint Standing Industrial Councils.

2. The terms of reference to the Sub-Committee are:—

"(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

"(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future."

3. After a general consideration of our duties in relation to the matters referred to us, we decided first to address ourselves to the problem of establishing permanently improved relations between employers and employed in the main industries of the country, in which there exist representative organizations on both sides. The present report accordingly deals more especially with these trades.

We are proceeding with the consideration of the problems connected with the industries which are less well organized.

4. We appreciate that under the pressure of the war both employers and workpeople and their organizations are very much pre-occupied, but, notwithstanding, we believe it to be of the highest importance that our proposals should be put before those concerned without delay, so that employers and employed may meet in the near future and discuss the problems before them.

5. The circumstances of the present time are admitted on all sides to offer a great opportunity for securing a permanent improvement in the relations between employers and employed, while failure to utilize the opportunity may involve the nation in grave industrial difficulties at the end of the war.

It is generally allowed that the war almost enforced some reconstruction of industry, and in considering the subjects referred to us we have kept in view the need for securing in the development of reconstruction the largest possible measure of coöperation between employers and employed.

In the interests of the community it is vital that after the war the coöperation of all classes, established during the war, should continue, and more especially with regard to the relations between employers and employed. For securing improvement in the latter, it is essential that any proposals put forward should offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous coöperation in the promotion of industry.

To this end, the establishment for each industry of an organization, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community, appears to us necessary.

6. Many complicated problems have arisen during the war which have a bearing both on employers and workpeople, and may affect the relations between them. It is clear that industrial conditions will need careful handling if grave difficulties and strained relations are to be avoided after the war has ended. The precise nature of the problems to be faced naturally varies from industry to industry, and even from branch to branch within the same industry. Their treatment consequently will need an intimate knowledge of the facts and circumstances of each trade, and such knowl-

edge is to be found only among those directly connected with the trade.

7. With a view to providing means for carrying out the policy outlined above, we recommend that His Majesty's Government should propose without delay to the various associations of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they do not already exist, composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labor engaged.

8. The appointment of a Chairman or Chairmen should, we think, be left to the Council who may decide that these should be—

(1) A Chairman for each side of the Council;

(2) A Chairman and Vice-Chairman selected from the members of the Council (one from each side of the Council);

(3) A Chairman chosen by the Council from independent persons outside the industry; or

(4) A Chairman nominated by such person or authority as the Council may determine or, failing agreement, by the Government.

9. The Council should meet at regular and frequent intervals.

10. The objects to which the consideration of the Councils should be directed should be appropriate matters affecting the several industries and particularly the establishment of a closer coöperation between employers and employed. Questions connected with demobilization will call for early attention.

11. One of the chief factors in the problem, as it at first presents itself, consists of the guarantees given by the Government, with Parliamentary sanction, and the various undertakings entered into by employers, to restore the Trade Union rules and customs suspended during the war. While this does not mean that all the lessons learnt during the war should be ignored, it does mean that the definite coöperation and acquiescence by both employers and employed must be a condition of any setting aside of these guarantees or undertakings, and that, if new arrangements are to be reached, in themselves more satisfactory to all parties but not in strict accordance with the guarantees, they must be the joint work of employers and employed.

12. The matters to be considered by the Councils must inevitably differ widely from industry to industry, as different circumstances and conditions call for different treatment, but we are of opinion that the suggestions set forth below ought to be taken into account,

subject to such modification in each case as may serve to adapt them to the needs of the various industries.

13. In the well-organized industries, one of the first questions to be considered should be the establishment of local and works organizations to supplement and make more effective the work of the central bodies. It is not enough to secure coöperation at the center between the national organizations; it is equally necessary to enlist the activity and support of employers and employed in the districts and in individual establishments. The National Industrial Council should not be regarded as complete in itself; what is needed is a triple organization—in the workshops, the districts, and nationally. Moreover, it is essential that the organization at each of these three stages should proceed on a common principle, and that the greatest measure of common action between them should be secured.

14. With this end in view, we are of opinion that the following proposals should be laid before the National Industrial Councils:—

(*a*) That District Councils, representative of the Trade Unions and of the Employers' Association in the industry, should be created, or developed out of the existing machinery for negotiation in the various trades.

(*b*) That Works Committees, representative of the management and of the workers employed, should be instituted in particular works to act in close coöperation with the district and national machinery.

As it is of the highest importance that the scheme making provision for these Committees should be such as to secure the support of the Trade Unions and Employers' Associations concerned, its design should be a matter for agreement between these organizations.

Just as regular meetings and continuity of coöperation are essential in the case of the National Industrial Councils, so they seem to be necessary in the case of the district and works organizations. The object is to secure coöperation by granting to workpeople a greater share in the consideration of matters affecting their industry, and this can only be achieved by keeping employers and workpeople in constant touch.

15. The respective functions of Works Committees, District Councils, and National Councils will no doubt require to be determined separately in accordance with the varying conditions of different industries. Care will need to be taken in each case to delimit accurately their respective functions, in order to avoid overlapping and resulting friction. For instance, where conditions of employment are determined by national agreements, the District Councils

or Works Committees should not be allowed to contract out of conditions so laid down, nor, where conditions are determined by local agreements, should such power be allowed to Works Committees.

16. Among the questions with which it is suggested that the National Councils should deal or allocate to District Councils or Works Committees the following may be selected for special mention:—

(i) The better utilization of the practical knowledge and experience of the workpeople.

(ii) Means for securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.

(iii) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.

(iv) The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences, and to their better adjustment when they appear.

(v) Means of ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.

(vi.) Methods of fixing and adjusting earnings, piecework prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph (iii).

(vii) Technical education and training.

(viii) Industrial research and the full utilization of its results.

(ix) The provision of facilities for the full consideration and utilization of inventions and improvement designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

(x) Improvements of processes, machinery and organization and appropriate questions relating to management and the examination of industrial experiments, with special reference to coöperation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.

(xi) Proposed legislation affecting the industry.

17. The methods by which the functions of the proposed Councils should be correlated to those of joint bodies in the different districts,

and in the various works within the districts, must necessarily vary according to the trade. It may, therefore, be the best policy to leave it to the trades themselves to formulate schemes suitable to their special circumstances, it being understood that it is essential to secure in each industry the fullest measure of coöperation between employers and employed, both generally, through the National Councils, and specifically, through district Committees and workshop Committees:

18. It would seem advisable that the Government should put the proposals relating to National Industrial Councils before the employers' and workpeople's associations and request them to adopt such measures as are needful for their establishment where they do not already exist. Suitable steps should also be taken, at the proper time, to put the matter before the general public.

19. In forwarding the proposals to the parties concerned, we think the Government should offer to be represented in an advisory capacity at the preliminary meetings of a Council, if the parties so desire. We are also of opinion that the Government should undertake to supply to the various Councils such information on industrial subjects as may be available and likely to prove of value.

20. It has been suggested that means must be devised to safeguard the interests of the community against possible action of an anti-social character on the part of the Councils. We have, however, here assumed that the Councils, in their work of promoting the interests of their own industries, will have regard for the National interest. If they fulfil their functions they will be the best builders of national prosperity. The State never parts with its inherent over-riding power, but such power may be least needed when least obtruded.

21. It appears to us that it may be desirable at some later stage for the State to give the sanction of law to agreements made by the Councils, but the initiative in this direction should come from the Councils themselves.

22. The plans sketched in the foregoing paragraphs are applicable in the form in which they are given only to industries in which there are responsible associations of employers and workpeople which can claim to be fairly representative. The case of the less well-organized trades or sections of a trade necessarily needs further consideration. We hope to be in a position shortly to put forward recommendations that will prepare the way for the active utilization in these trades of the same practical coöperation as is foreshadowed in proposals made above for the more highly-organized trades.

23. It may be desirable to state here our considered opinion that

an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organization on the part of both employers and workpeople. The proposals outlined for joint coöperation throughout the several industries depend for their ultimate success upon there being such organization on both sides; and such organization is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out.

24. We have thought it well to refrain from making suggestions or offering opinions with regard to such matters as profit-sharing, co-partnership, or particular systems of wages, etc. It would be impracticable for us to make any useful general recommendations on such matters, having regard to the varying conditions in different trades. We are convinced, moreover, that a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected.

25. The schemes recommended in this Report are intended not merely for the treatment of industrial problems when they have become acute, but also, and more especially, to prevent their becoming acute. We believe that regular meetings to discuss industrial questions, apart from and prior to any differences with regard to them that may have begun to cause friction, will materially reduce the number of occasions on which, in the view of either employers or employed, it is necessary to contemplate recourse to a stoppage of work.

26. We venture to hope that representative men in each industry, with pride in their calling and care for its place as a contributor to the national well-being, will come together in the manner here suggested, and apply themselves to promoting industrial harmony and efficiency and removing the obstacles that have hitherto stood in the way.

We have the honor to be, Sir,
Your obedient Servants,

J. H. Whitley, *Chairman.*
F. S. Button.
Geo. J. Carter.
S. J. Chapman.
G. H. Claughton.
J. R. Clynes.
J. A. Hobson.

A. Susan Lawrence.
J. J. Mallon.
Thos. R. Ratcliffe-Ellis.
Robt. Smillie.
Allan M. Smith.
Mona Wilson.
H. J. Wilson,
Arthur Greenwood,
Secretaries.

8th March, 1917.

APPENDIX

The following questions were addressed by the Reconstruction Committee to the Sub-Committee on the Relations between Employers and Employed in order to make clear certain points which appeared to call for further elucidation. The answers given are subjoined.

Q. 1. *In what class of Industries does the Interim Report propose that Industrial Councils shall be established? What basis of classification has the Sub-Committee in view?*

A. 1. It has been suggested that, for the purpose of considering the establishment of Industrial Councils, or other bodies designed to assist in the improvement of relations between employers and employed, the various industries should be grouped into three classes—(*a*) industries in which organization on the part of employers and employed is sufficiently developed to render the Councils representative; (*b*) industries in which either as regards employers and employed, or both, the degree of organization, though considerable, is less marked than in (*a*) and is insufficient to be regarded as representative; and (*c*) industries in which organization is so imperfect, either as regards employers or employed, or both, that no Associations can be said adequately to represent those engaged in the trade.

It will be clear that an analysis of industries will show a number which are on the border lines between these groups, and special consideration will have to be given to such trades. So far as groups (*a*) and (*c*) are concerned, a fairly large number of trades can readily be assigned to them; group (*b*) is necessarily more indeterminate.

For trades in group (*a*) the Committee have proposed the establishment of Joint Standing Industrial Councils in the several trades. In dealing with the various industries it may be necessary

to consider specially the case of parts of industries in group (*a*) where organization is not fully developed.

Q. 2. *Is the machinery proposed intended to be in addition to or in substitution for existing machinery? Is it proposed that existing machinery should be superseded? By "existing machinery" is meant Conciliation Boards and all other organizations for joint conference and discussion between Employers and Employed.*

A. 2. In most organized trades there already exist joint bodies for particular purposes. It is not proposed that the Industrial Councils should necessarily disturb these existing bodies. A council would be free, if it chose and if the bodies concerned approved, to merge existing Committees, etc., in the Council or to link them with the Council as Sub-Committees.

Q. 3. *Is it understood that membership of the Councils is to be confined to representatives elected by Employers' Associations and Trade Unions? What is the view of the Sub-Committee regarding the entry of new organizations established after the Councils have been set up?*

A. 3. It is intended that the Councils should be composed only of representatives of Trade Unions and Employers' Associations, and that new organizations should be admitted only with the approval of the particular side of the Council of which the organization would form a part.

Q. 4. (a)—*Is it intended that decisions reached by the Councils shall be binding upon the bodies comprising them? If so, is such binding effect to be conditional upon the consent of each Employers' Association or Trade Union affected?*

A. 4. (*a*) It is contemplated that agreements reached by Industrial Councils should (whilst not, of course, possessing the binding force of law) carry with them the same obligation of observance as exists in the case of other agreements between Employers' Associations and Trade Unions. A Council, being on its workmen's side based on the Trade Unions concerned in the industry, its powers or authority could only be such as the constituent Trade Unions freely agreed to.

Q. 4. (*b*) *In particular, is it intended that all pledges given either by the Government or employers for the restoration of Trade Union rules and practices after the war shall be redeemed without qualification unless the particular Trade Union concerned agrees to alteration; or, on the contrary, that the Industrial Council shall have power to decide such question by a majority vote of the workmen's representatives from all the Trade Unions in the industry?*

A. 4. (*b*) It is clearly intended that all pledges relating to the

restoration of Trade Union rules shall be redeemed without qualification unless the particular Trade Union concerned agrees to alteration; and it is not intended that the Council shall have power to decide such questions by a majority vote of the workmen's representatives from all the Trade Unions in the industry.

INDUSTRIAL REPORTS. NUMBER 2.

WORKS COMMITTEES

REPORT OF AN ENQUIRY MADE BY THE MINISTRY OF LABOR

PREFACE

Owing to the great changes in industry which the war has produced, particularly in engineering, the need for closer relations between employer and workmen has become increasingly felt. The old trade union machinery has often been overburdened and has not always sufficed to deal with the innumerable questions arising from day to day in the shops. These conditions have encouraged the growth of Works Committees as a means of direct and constant communication between employer and workmen, and as the formation of such Committees in industries where the conditions require or favor them has been recommended by the Whitley Committee as part of the industrial organization of the future, it was thought that it would be useful to collect particulars of existing Works Committees and to publish them for the information of those who might be interested in the matter.

The following report is based on an inquiry made by members of the Department as to the constitution and working of Works Committees in a number of different industries, including Engineering, Shipbuilding, Iron and Steel, Boot and Shoe, Mining, Printing, Woolen and Worsted, Pottery, and Furniture. The enquiry did not aim at being exhaustive, but an attempt was made to examine carefully typical committees in the chief industries where they were known to exist, with a view to bringing out the different objects, functions, methods of procedure, and constitutions which have been tried in actual practice. The opinions of those interested in the Committees, on the side both of the management and of the workmen, have been sought, and the sincere thanks of the Department are due to Directors, Managers, Trade Union officials, Shop Stewards, and others for their courtesy and the trouble they

have taken to help the enquiry at a time when all were burdened by the extra duties imposed on them by the war. Our special thanks are also due to the Ministry of Munitions of War and the Admiralty Shipyard Labor Department, and to those individuals, firms, Committees and Associations who have given permission for the publication of the particulars of Works Committees which appear in the Appendices.

No attempt has been made to draw any general conclusions or to sketch any ideal form of Works Committee. The object aimed at has been to present the facts as accurately as possible, to point out the various difficulties which have been encountered and the various methods which have been devised to meet them. In this way it was hoped that this Report might be of some value as furnishing guidance and suggestions to those who are concerned with working out the problem of Works Committees for their own industry or their own establishment.

Since this volume was prepared, the Whitley Committee have issued their Third Report which deals with Works Committees and which recommends the collection of information regarding existing Works Committees.

D. J. Shackleton.

Ministry of Labor.
March, 1918.

WORKS COMMITTEES

I.—INTRODUCTION

The extent of the existence of Works Committees before the war is largely a matter of definition. Our estimate of their scope will vary according as we give the term a wide interpretation, or confine it to committees representative of all the workpeople in an establishment. Works Committees in this latter sense of the term existed before the war in various industries, and in some instances they had been in existence for many years. If the term is interpreted in a wide sense, and taken to include various kinds of committees, such as those representative of individual trades or departments, or those which have come into existence at particular times and for limited purposes, the number in existence before the war is greatly increased. In certain industries, however, notably engineering, the conditions of war have produced such a change in both the form and function of workshop organization, that the discussion of the general idea of Works Committees may be said to

have developed out of those conditions. Since, however, the Works Committee, on the whole, springs from the common methods of trade union organization inside the workshop, as they existed long before the beginning of the war, some reference to these methods is necessary as an introduction to this report upon some of the committees which are now in operation.

Before this works organization is considered, it may be noted that certain of the immediate causes which have led to the rise of works committees during the war—the methods of remuneration (piecework or profit-sharing or bonus on output), welfare, collections for charity, and, to some extent, dilution also—were already operative in the formation of earlier Works Committees.

Works Committees before the War.

The majority of Trade Unions have official shop stewards, though these officials may be known by some other name—such as "shop delegates," "works representatives," "collectors," "yard committeemen," or, in one case at least, "works directors." In certain cases also the name committee—Watch or Vigilant Committee—is attached to the body of shop stewards in an establishment. It may even be said that the Works Committee is older than trade unionism; the "chapel," for instance (the ancient organization of the workmen in each printing office), goes back much farther than the end of the 17th century. Such shop clubs were not confined to any one industry. They were, however, quite different things from a works organization formed of representatives of permanent Trade Unions, and would now be represented by a committee of workers in a non-Union shop. To-day the duties of the "chapel," as laid down in the rules of various unions in the industry, include those discharged by shop stewards in many other trades. Apart from (1) functions obviously intended to sustain the fabric of the Trade Union—the collection of dues, the interrogation of defaulters and newcomers, and the like—the duties of shop stewards are stated in the rules of different Unions to include (2) the regular supply to the branch or district committee of information respecting any encroachment upon recognized Trade Union conditions, participation in deputations to the management in connection with grievances,[1] the calling of shop meetings of the members to discuss

[1] Participation in deputations to the management has naturally tended to the formation of committees. This may have happened when representatives of different trades joined together to present common grievances; the management may again have suggested the formation of a committee as an alternative to a number of sectional deputations.

grievances, etc. The stewards are in one case held "responsible for the conduct of the shop according to rules." The actual degree of organization of the shop stewards varies among the Trade Unions. In some cases all the shop stewards of a Union in a district hold regular meetings once a month with the district committee of the Union. Certain Unions supply their shop stewards with official cards. In other cases, however, there is no regular machinery for consultation between the shop stewards and the Union officials, and no certificates of official recognition are supplied to the shop stewards. There is variety also in regard to the election and the deposition of shop stewards; some hold office for a definite period, while others may be deposed at any time. Most commonly the election is made in the department by the men of the Union, though there are cases in which appointment to the office is made by Trade Union branches.

(1) In regard to the first-mentioned duties of shop stewards—the collection of subscriptions and the examination of credentials of membership—two facts may be noted. The first is that such methods of organization are not confined to workers whose daily work is done in a fixed establishment, but are also used on certain forms of more or less migratory work, such as building construction. The "ticket" steward commonly examines new men taken into employment on a building job. The second fact to be noted is that in certain industries, in a number of areas, a regular system of Works Committees, linked together in district organizations, had developed several years before the war for the purpose of the more efficient achievement of these objects.

(2) But both in theory and in practice the work of shop stewards—or of committees of shop stewards—has generally extended beyond these functions. As an example of practice, the apparently unsuitable case of building work may first be taken. Committees—somewhat loosely organized it may be, but nevertheless committees, and so considered by those responsible for their formation—have been formed in the building trade; and the scope of these committees has embraced the second and wider class of duties mentioned above. It has for years been common in certain districts for the

The appointment of deputations of workpeople to meet the management is, of course, not confined to trade unionist workmen; it has always been a feature of modern industry in both organized and unorganized establishments. In organized establishments, however, there has always been a tendency for the shop stewards to be represented on such deputations.

"ticket" stewards on a big building job to come together, and to elect a secretary, who in some cases (it may be noted) has been a representative of the laborers. Such a committee of stewards may make representations to, or be consulted by, the employer on questions such as the proper allocation of work in order that sufficient inside operations may be reserved for wet weather. Another question which such committees have been known to bring forward is that of extra payment in consequence of the inconvenient situation of some particular job. (This, perhaps, is strictly Trade Union business.) In demanding adequate provision for the heating of tea cans and for the enjoyment of meals such committees may be said to have anticipated in their own way the modern Welfare Committee. In many industries the same combination of shop stewards and the same practice of making united representations to the employer—a practice not necessarily "recognized"—have been attempted at different times and with varying degrees of success. In some cases in which such methods have been successfully applied in engineering and shipbuilding the initiative has come from the side of the management. It remains true, of course, that the shop steward system up to the present has been in the main only a trade system, and that the committees formed under it can be classed under Works Committees only if the term is given the wide scope mentioned at the beginning of this report. If the term is used in this wider sense, committees will be found to have existed for many years in a number of industries where piecework is in operation. Some of these are dealt with in a later paragraph.

Another of the functions of shop stewards—the calling of shop meetings—appears to form the basis of a system of Works Committees in certain industries, which include, at any rate in some districts, the furnishing trades. The shop meeting, for which the rules of most Trade Unions make provision, is a meeting of the members of a Union; but the term has another meaning which has gained currency during the war—viz., a meeting of all the trades in a works—and it is interesting to note that, in part, at least, of the furnishing industry, this has long been the recognized meaning. Here the meetings are regular (monthly), and the stewards, not necessarily drawn from all the trades, make their report about membership and the like. The shop stewards in a furnishing works may in this way form a Works Committee with a secretary. At the same time it would appear that for the settlement of piece prices certain Unions in the furnishing trades, such as that of the upholsterers, work through their own shop stewards.[1]

[1] The position in the furnishing trade is somewhat indefinite. Some

Committees for the arrangement of piece prices, which are found in a great variety of industries, are convenient examples of (*a*) trade or departmental organization as contrasted with works organization; and (*b*) the informal nature and composition of many committees. In regard to (*a*), the method of the upholsterers has already been mentioned. Usually there are only a small number of upholsterers in any one establishment; fifteen would mean a very considerable firm. In smaller establishments the shop steward or stewards of the Union usually carry through the negotiations for any new work not covered by the shop "log," or list of piece prices. If they are unsuccessful, the full-time Trade Union official comes into the bargaining operations. In one establishment, however, in which an exceptionally large number of upholsterers are employed in several departments or "floors," the Departmental or Trade Committee has been in existence for many years. This is composed of all the stewards—three elected from each of the "floors"—and from this committee again three head stewards are chosen. For the particular work of any floor the appropriate stewards undertake the preliminary negotiations; but if these are unsuccessful, the question in dispute will come before the committee, and be dealt with by the head stewards in consultation with the management before it is—probably with the assent of a shop meeting—given into the hands of the Trade Union official. The pottery industry supplies examples of both (*a*) and (*b*). Pricing Committees are found in most sections of the trade; and there may be several committees in a single factory. In the sanitary trade a standing committee is usual. In many factories, however, the method employed is for the operative concerned to call in two or three mates to assist him in arranging the price of a new job. The men called in need not be the same on each occasion. The existence of several committees in one factory may be exemplified by an establishment in the Jet and Rockingham branch of the industry, in which there have been for many years Pricing Committees for jiggerers (makers), turners and handlers. In this case none but Trade Unionists can sit on the

years ago there would appear to have been Joint Committees of employers and employees in several districts, but these have disappeared. A system of Departmental Committees for the fixing of rates for subnormal workers is still in operation in certain districts, and was more common until quite recently, when piecework was abolished in some areas. In a few establishments these committees appear to have been Works and not Departmental Committees. These committees are *ad hoc* bodies, called into being for a particular purpose by the shop steward (or stewards) who form the element of continuity.

committee; but this is by no means a universal rule. In works, however, in which there are Trade Unionists the practice is to elect to the committee one (or more) of them, who is expected to serve as a connecting link between the committee and the District Committee of the Trade Union.

The position of the "chapel" in relation to the London compositors' scale is an old and well-established case of a works organization taking part among other functions in the regulation of piecework.

In other trades in which piecework is in operation, and where complete standardization of lists has been found impracticable, methods more or less similar to those mentioned above are found. In this connection the development of Works Committees in engineering establishments during the war is significant. The engineering trades have always resisted piecework; but, at the same time, they have generally bargained on an individual basis for any work done on this system. The extension of piecework and the growth of the method of collective bargaining in the shop—by Works Committees or stewards—have gone on side by side; and it would appear that, to a considerable degree, the one is the immediate cause of the other. Even in industries in which price lists for piecework are used there are commonly occasions on which a particular job is not covered by the list, and in certain cases jobs cannot be listed at all. In this connection it may be noted that in mining the *method* of joint pit committees—as well as the Joint District Board—has been in operation in certain districts for a long time, and the method is embodied in the rules of various districts under the Coal Mines (Minimum Wage) Act of 1912. In several districts disputes as to whether a workman has forfeited his right to the minimum must be discussed by two officials of the mine and two representatives of the local lodge of the Union before they are taken to the district Joint Board committee, and in one district the representatives from each side are four in number.

The fact that in many mining districts the Trade Union branch—or lodge—is composed only of the men working in one pit makes the Lodge Committee in effect a Pit Committee.[1] It is not a complete Works Committee—in the stricter sense of the term—except in those places in which the enginemen and certain other workers, who commonly belong to other Unions, are members of the local

[1] Even where the basis of the miners' branch is not the pit but, say, the village, each of the several pits in the village commonly has its committee.

Miners' association. The tendency of certain other Unions—*e. g.*, those in the iron and steel industry—to organize on the basis of the works is interesting from the same standpoint.[1]

It may be noted that in many cases Conciliation Boards are really Works Committees. This is so when the joint board is composed of representatives of the workpeople in one establishment and of members of the firm. Such boards—with varying degrees of connection between the workmen's side and the Trade Unions—have been formed in individual establishments belonging to a variety of industries.

Nomenclature.

A distinction must be drawn between "Works Committees" and "Shop Committees." The former cover the whole of a works (or even, in some cases, the whole of two or three contiguous works); the latter cover a particular department or shop in a works. Among Works Committees it is possible to distinguish three varieties. The first and main variety may be called the "Industrial Committee." Such a committee, generally constituted on a Trade Union basis, deals with particular questions affecting the conditions and remuneration of labor in a given works—questions of principle being reserved for the district or national organizations concerned. It is this variety which, being the most important, is often called by the general name of Works Committee. A second variety may be called the "Welfare Committee." Such a committee, representing as a rule all the workers in a given works, deals with what may be termed works amenities—ventilation, sanitation, and the like. A third variety, which may be merged with the second, or may be distinct, is the "Social Union," or, more exactly, the committee governing the Social Union, where one exists, of the workers employed in the same establishment. Such a committee is concerned with games, recreations, study-circles, picnics and the like.

Apart from these main types there are, of course, local varieties of all sorts. There may be, for instance, a separate "Mess-room Committee"; or, again, there may be a separate "Women's Committee." There may be a committee peculiar to a small section of workers (*e. g.*, tool-makers), which handles a large and important area of functions in regard to those workers. Finally, even though there is no regular or standing Works Committees, it may be the

[1] It may be noted that the circumstances of industry in general in the 18th and early 19th century made for a greater correspondence between organization by locality and organization by establishment than exists to-day.

case that committees are created *ad hoc* whenever an important question arises in a works, and that these committees are consulted by the management with a view to settling such questions. This indeed is the procedure followed in some of the works where the relations of management and men are most amicable. In some cases the committee so formed consists of the shop stewards of the separate trades.

It may be added that some committees are "joint," and embrace representatives of both men and management, meeting together in regular session; while others (and this is the general rule) are committees of workmen only, but meet the management from time to time (sometimes regularly, and sometimes occasionally; sometimes directly, and sometimes through their chairman or secretary) to settle grievances and to give or receive information.

Various names have been applied to committees formed during the war, particularly to those formed to deal with such questions as timekeeping. Among the names are "Workers' Advisory Board," "Works' Tribunal," "Vigilant Committee," and "Works' Council." [1]

II.—ORIGINS AND INFLUENCE OF WAR DEVELOPMENTS

The causes which have brought Works Committees into existence during the war, and the circumstances attending their origin, are naturally very different. A classification of origins may, however, be attempted under the following heads:—

(1) Shop stewards.
(2) Dilution.
(3) Methods of remuneration.
(4) Timekeeping.
(5) Welfare.
(6) War charity.
(7) Other causes.

Shop Stewards.

To a very considerable extent the first three headings must be treated together. This is particularly true of engineering works. It has already been pointed out that shop stewards with a considerable range of duties were a normal feature of Trade Union organization before the war. It has also been seen that, though

[1] "Works Committee," it may be noted, is sometimes taken to mean only a Joint Committee of management and employees. The name is not used in this narrow sense in this report. "Shop Committee" is sometimes used in the sense in which "Works Committee" is defined above, *i.e.*, for a committee covering not merely a department but the whole of a works.

for the most part these stewards acted only for their own separate organizations, this was not their only method of operation. One effect of the war has been to enhance the position and prestige of the shop stewards. The loss of the right to strike has depressed the position of Trade Union officials, who were thus deprived of the chief weapon they controlled and, if they had organized strikes, would have been liable to prosecution. Under these conditions the shop stewards, more unknown and therefore less exposed, began to exercise more power. Nor was this all. In an industry such as engineering, questions of dilution and, again, of payment by results raised matters of detail which needed some shop machinery for their solution. Such questions often concerned the members of several Unions in the same establishment; and the common interest of men working side by side often led to concerted action. Though many Works Committees instituted during the war can be traced to one or other of these sources, and though most of the committees thus called into existence may be said to have worked to the satisfaction of all grades of workpeople, it is true that in certain cases the question of dilution has produced committees of shop stewards with conflicting interests. In certain places two committees have been formed, one composed of the shop stewards of the skilled trades, and the other confined to the stewards of the Unions representing the unskilled and semi-skilled men.

It may be added that this tendency among workpeople to bring their organization more closely to bear upon workshop conditions is to be seen in industries which have been much less affected by the war than engineering. The tendency preceded, but has been strengthened by the war.

Dilution.

To gain the consent of the National Unions was not in itself enough to settle the question of dilution; for it is obvious that in a complicated trade such as engineering, with its many varieties, questions of detail might arise in almost every works which needed some machinery for their solution. This has led to the introduction of Dilution Committees in many establishments. These committees, consisting of representatives of the workers (mainly, of course, the skilled workers), discuss with the management on what machines or processes, to what extent, and under what conditions dilution shall be introduced. Committees of this character, dealing with an important range of economic questions, have often been led to raise other questions than that of dilution, and to bring forward for discussion with the management, with which they were

being brought into constant contact by the problems of dilution, questions and grievances of a general character. Sometimes the committee has remained in name a Dilution Committee, while it was in reality a Works Committee. Sometimes a definite change has been made, and the Dilution Committee, with more or less change in its composition, has been turned into a Works Committee. In any case, the problem of dilution has been one of the most potent forces in forwarding the movement towards Works Committees. Though there has been a marked tendency for Dilution Committees to develop into Works Committees, it may be noted that in one or two cases the Dilution Committee was formed after, and as a sub-committee of, the Works Committee.

The importance of the connection between a Works Committee and the Trade Unions is indicated by complaints that Dilution Committees' negotiations have violated Trade Union agreements.

Methods of Remuneration.

One of the necessities of the war has been to increase output; and one method which suggested itself for this purpose was that of payment by results in trades where timework was the normal practice. In many trades any system of piecework is very unpopular, and, in the past, has been strongly opposed. This is true of engineering, where the Unions had left any piecework which was introduced to the control of individual bargaining. The rapid extension of piecework in such trades has led to a variety of forms of collective bargaining. In some establishments a new piece-price is submitted to the Works Committee before it is discussed with the individual workman. In others an Appeals Committee has been instituted to consider and bring forward complaints against piece-prices or premium bonus times fixed by the management. In others, again, something on the lines previously mentioned as existing in parts of the pottery industry has been developed; and prices have been discussed, not with the individual workman, but with the workman and two or three of his mates on similar work. In other establishments various forms of collective or group bonus on output (or output value) have been adopted; and in some of these cases committees have been formed either temporarily, in order to discuss the introduction of the new method, or permanently, in order to supervise its working. In other cases committees have been formed to deal with timekeeping bonuses or profit-sharing schemes.[1]

[1] A great variety of bonus schemes is in operation in munitions factories, many of which are not understood by the workpeople concerned. It would appear to be necessary that not only should there be a com-

Committees connected with methods of remuneration are not, in themselves, Works Committees proper. They may be committees representing only a small section of the establishment (*e.g.*, the toolmakers), while the rest of the workmen in the establishment are not concerned and are represented by no committee. They may, again, be partial in scope as well as in membership, and deal with no other matters than that of a bonus. This, however, is unlikely and seems unusual. A committee connected with a bonus system often comes to embrace a wider scope, and will bring forward, or be consulted by the management about, other matters.

Timekeeping.

Committees whose sole function, or one of whose main functions, is the improvement of timekeeping, have been instituted in the coal mining industry, at the ironworks in Cleveland and Durham, and in a number of engineering and munitions factories. The Pithead, or Output, or Absentee, Committees, as they are variously called, commonly deal with the negligence of mine officials as well as with cases of absenteeism. The committees at the Cleveland and Durham blast furnaces are confined to the one function of improvement of timekeeping.

Welfare.

The strain of the war has introduced conditions which have made it necessary to consider ways of promoting the physical welfare of the workers. Long hours have been worked; night shifts have been added to day shifts; workshops have sometimes been crowded; the introduction of women workers by the side of men, in occupations where women had not previously been employed, has raised a number of questions. Matters such as the best distribution of working hours, the provision of canteens and mess-rooms, and the improvement of ventilation and sanitation, have all demanded attention. On such matters, where the interest of the workers is paramount, the simplest course is obviously to consult them, and to receive their complaints and suggestions through their own accredited representatives. This course has been adopted in a number of establishments; and the result has been the institution of a Welfare Committee, which has eased the situation by removing, or preventing the rise of, a number of grievances. The workmen have

mittee to supervise such schemes, but that a "Particulars Clause" should be made obligatory on the employer. Arbitration awards have in individual cases made one or both of these methods of control part of their findings.

thus been allowed a voice in regard to the conditions under which they labor, and these Welfare Committees, though they can hardly be called Works Committees, may be said to prepare the ground. They serve to engender something of a spirit of community in the works, and to help the workmen to feel that they have a common interest as workers in the same establishment.

War Charity.

In several cases (for instance in the Glasgow district) committees have been formed to administer funds raised in the works for the purpose of helping dependents of workmen who have joined the Colors. These committees form a germ which may develop, and here and there has developed, into Works Committees capable of entertaining grievances or raising general questions and bringing them to the notice of the management. Where the firm has subscribed to the works' fund, and has been represented on the Committee of Management, the nucleus of a Joint Committee is obviously present.

Other Causes.

In much the same way committees formed in an establishment for social purposes prepare the ground, if they do nothing more, for the institution of Works Committees. They help to create the habit of common action through representatives; and accustoming the men of different crafts and different Unions to act together for purposes of a social nature, they gradually lead to the adoption of the idea that a certain range of industrial questions may be treated in the same way. In some of the best establishments which have recently instituted Works Committees the success of these committees is largely attributed to the work which committees of a social character have done in preparing the ground.

It is believed that the ways indicated are those in which Works Committees have mainly tended to arise. In a subject of such variety, however, it is impossible to make any exhaustive enumeration. Often the institution of a Works Committee is due to the initiative of an employer or manager who desires to give the workpeople a larger control over working conditions or who finds that his task is greatly eased if he can deal with an accredited representative of the workmen. Sometimes a committee may have arisen in connection with a particular dispute and for negotiating a settlement, and may then, in the issue, be adopted as a permanent mode of working. In certain cases during the war, as before it,

the creation of a Works Committee has been one of the terms of settlement of a dispute.

III.—CONSTITUTION

The constitution of a Works Committee naturally varies with its functions. A Welfare Committee, handling questions in which the difference between unionist and non-unionist workmen, or again the difference between different Unions of workmen, hardly arises, will tend to be composed of representatives of all the workers, elected without regard to differences of craft or grade or occupation. An Industrial Committee, handling as it does questions in which differences of skill or of craft are concerned, will involve a new range of considerations. It may be necessary to consider the relation of such a committee, if one is instituted, to the existing industrial organization of the workmen in the works in the shape of shop stewards or delegates; and, again, it may be necessary to consider whether management and labor should sit together as a Joint Committee (and, if so, in what proportions), or whether the Works Committee should be one of workers only, with opportunities of ready access to the management—and ultimately, it may be, to the directors—when such access is desired.

The last point may be taken first. Joint Committees are rare.[1] There are some committees of this nature, containing two or three representatives of the management and about a dozen representatives of the workmen, which meet at regular intervals—in one case from week to week, but more often at longer intervals. Even when the Committee is a Joint Committee, however, some provision has generally to be made for separate meetings of the representatives of the workers; and, as a rule, Works Committees appear to be committees of the workers only, with regular facilities for consultation with the management, either at fixed intervals or whenever occasion arises. Joint Committees may ultimately come to be the normal form, but in the preliminary stage of development it seems likely that committees of workers only, with regular facilities for access to the management, will generally be the form adopted.

Where the committee is a Joint Committee, the idea of the joint meeting is probably first mooted by the management; and unless the workers' side is already in existence the management may sug-

[1] This statement applies to committees whose work is not strictly limited to one or two functions. The actual number of Joint Committees is large if we include the "Absentee" Committees at coal mines and the Timekeeping Committees at ironworks.

gest the basis of composition and the methods of election of the committee. Where, however, the committee is a committee of workmen only, it is advisable (whether the idea of such a committee is suggested by the management or develops spontaneously among the workmen), that the workmen should be left to determine the basis of its composition and the method of its election for themselves.

Two main methods appear to prevail in regard to the composition of a Works Committee of the second type mentioned above.

(*a*) The committee may be elected by all the workmen employed, each department or shop being treated as a constituency, and returning a number of members, perhaps in proportion to its size. This appears to be the simplest method and is found even in works in which the workers have already an industrial organization in the shape of shop stewards or delegates.[1] This is the case in most works, and in such cases it may be advisable to build on the existing organization. This brings us to the second main possibility.

(*b*) The committee may be a committee of the shop stewards of the different Unions represented in the works, or, in a large works where shop stewards are numerous, a committee elected by the shop stewards. In one works, for instance, which employs about 3,000 workmen, the Works Committee (in this case a Joint Committee) contains 12 representatives of the workmen elected by the shop stewards (some 40 in number) of the various Unions represented in the works. In another works a committee of seven shop stewards meets the management monthly and discusses questions which its members and the management have asked to have placed on the agenda.

The two methods which have just been described represent the two possibilities at either end of the scale; but various methods may be employed which combine, or come as it were between, these two possibilities. Even where the committee is elected by all the workmen, unionist or non-unionist, voting by departments, the tendency, if the works is strongly unionist, is towards the election of representatives who are all unionists and are also, either altogether or in part, shop stewards of their Unions. In one works with 4,000 workmen the Works Committee of 21 members, elected by a general vote of the men workers, is entirely composed of shop stew-

[1] This method of departmental election commonly results in a committee, all the members of which are shop stewards. But even when this is so, a majority of the shop stewards may not be on the committee; and the members may be drawn from a minority of the Unions.

ards. In another works, with 3,500 workmen, in which a Works Committee has existed for about 10 years, all the workmen in any department may vote, but only unionist workmen can be elected, and half of the members of the Works Committee are shop stewards.

Another method which deserves special notice is that of election on the basis of Unions, all the members of a Union in the works electing a certain number of representatives. The number of members to which a Union is entitled may vary in direct proportion (or in some other way) with its membership in the works. Thus, in a scheme under consideration for an engineering works, representation on this basis gives seven members to three General Labor Unions, eight members to the largest Union of skilled men, two members o each of two other Unions of skilled men, and one member to each of seven other skilled Unions. This method—since in an engineering establishment the members of a Union may be distributed through several departments, in each of which there may be a shop steward or stewards of the Union—is not necessarily identical with that in which the shop stewards of the different Unions in each department form the committee. In several iron and steel works the method of election appears to be by the members of each *branch* of a Union who are working in the establishment.

In one such case the right to representation is stated to belong to the branch because it has members in the works. The statement, however, is qualified in order to cover the case of a Trade Union branch—*e. g.,* of the Amalgamated Society of Engineers or the Bricklayers' Union—only some of whose members may be employed in the particular works. In their case only the members of the branch employed in the works make the appointment; and from the nature of the case the representative so appointed is almost bound to be the person acting as shop steward for the Union in the works. This, combined with the fact that the branches of the iron and steel Trade Unions correspond to sections or departments of workers in a single works, makes such branch representation similar to departmental representation. Another feature of this system is that the secretary of any branch who is working in the establishment—this is almost bound to be the case with branches the membership of which is confined to the works—is, *ex officio,* a member of the committee. The draft proposals for representation now being discussed by the shipbuilding trades in one district are to the effect that each Works Committee should be composed of a certain number of representatives from the men of each trade or Union employed in the yard, and that among the representatives

of each trade or Union one at least should be an official shop steward. Some of the Unions in the shipbuilding industry include, it may be noted, several trades, and the official yard delegates (or shop stewards) of the several trades in one Union often form a Yard Committee for such functions as the inspection of Union cards.

Other methods found in practice are election of all the members by the whole of the employees in an establishment voting as one constituency, and election by occupations or trades.

In some works there is one committee for skilled men and another for unskilled or semi-skilled. In several large engineering establishments, for instance, there are two Committees of Shop Stewards, one for craftsmen, and another for semi-skilled men and laborers. Generally, however, there is only one committee for both sets of workmen.[1] The persons elected to such a committee are in certain cases drawn solely from the ranks of the skilled craftsmen, though there may be unskilled men (and stewards of unskilled Unions) in the works. The exclusion of any *direct* representation of the unskilled men in such circumstances is generally due to the same cause as the absence of any direct representation of the smaller craft Unions, *viz.*, the fact that a department's representative tends to belong to the Union which has most members in the department. There are certainly cases in which this apparent exclusion of representation of the interests of the unskilled is a source of friction between the different classes of workers; and the presence in some works of separate committees is the extreme expression of such difference in interest. It is argued that the unskilled men—though they may be excluded by exactly similar circumstances—are in a different position from a minority of skilled men who may be excluded from direct representation, in that the interests of the latter, being akin to their own, are better understood by, and receive more sympathetic consideration from, the

[1] A Works Committee in a Midlands munitions factory has just been reconstituted. Previously departmental election had produced a committee all the members of which were skilled trade unionists. The new method gives separate representation to (i) skilled men, (ii) semi-skilled and unskilled men, and (iii) women employees. This scheme, advocated and carried through by the secretary, who is an official of his own Union, is designed to give all grades in the works an active interest in the committee. It is hoped that later the separate representation of the different grades in each department may not be necessary; previously the grades not directly represented have not opposed the committee, which has been very successful, but they have not shown as much interest in it as is desired.

skilled men on the committee. It would nevertheless appear that most committees appointed on a departmental basis do succeed in representing fairly the interests of all their constituents; and it is claimed that the committee member tends to look upon himself not as the representative of a particular craft or section in the department, but as the representative of the department as a whole.

The position of women workers is in some respects analogous to that of unskilled workmen. In some cases they have a vote for the Works Committee elected by the various departments, and they may have a representative of their own on that committee; in other cases representation is secured to women's departments as such. Sometimes, even where women are excluded from voting, the Works Committee may represent their interests; and it may entertain and bring before the notice of the management grievances of women workers and questions affecting their interests and the conditions of their labor. Occasionally, though this is rare, there is a separate committee to represent the interests of women workers.

From what has been said it is obvious that the constitution of a Works Committee raises a number of questions. (1) In the first place, there is the question whether the committee should be based on the industrial organization of shop stewards, where such organization is in existence, or should be based on a general vote. (2) In the next place, assuming the latter alternative to be adopted, there is the question whether all the workers should vote, and, if so, how the constituencies should be arranged, or whether only unionist workers should vote, and, if so, how and in what proportions the different Unions should be represented. (3) Further, there is the question whether there should be a single committee, or one committee for skilled and another for unskilled workers; and (4) finally, there is the question whether women workers should have a separate committee or be represented through the general committee of the works.

No general answer can be given to any or all of these questions. The circumstances of different works vary, and each type has to find its own solution.

Wherever it is possible, a committee of shop stewards or Trade Union representatives would appear to be the best solution.[1] At the same time, it is important to secure that the size of the committee, while large enough to be representative, should not be so large

[1] As will be seen from the appendices, individual committees formed on very different lines have been in every way successful. Since, however, the problem from the point of view of the well organized indus-

as to make it unwieldy, and that, as far as possible, there should be direct representation of each department. The size of the committees actually in existence varies; some committees have 12 members, some have upwards of 30. The smaller number seems more likely to be effective. It may be necessary, therefore, that a Works Committee, if it contains a large number of members, should appoint a smaller committee of itself; and that, while the management should be in regular contact with the smaller committee, questions of difficulty should be referred by the smaller committee to the larger, the management meeting the larger committee in case of need. In its choice of the smaller committee the Works Committee could allocate a place, or a number of places, to each department or group of departments. Another method of electing a committee of manageable size would be that from the stewards in each department (or, in certain cases, groups of departments) one should be appointed by a general election held in the department or by the departmental stewards themselves. In certain cases, in large works, it may be desirable that the stewards in each department should form Shop Committees, with which the general committee could keep in touch and from which its members could learn the needs and the complaints of each department. Another variant is that sub-committees instead of being departmental should be functional, *i.e.*, should each deal with a particular matter or set of matters such as dilution, piecework, suggestions of improvements, etc.

The existing Works Committees have generally two officers, a chairman and a secretary. The tenure of office of the committee is often unfixed. Where it is fixed, it may be for six months or

tries is complicated by the existence of poorly organized areas, a proposal under consideration by a firm in which considerably less than half of the employees are trade unionists may be noted. The proposal is that the Works Committee should be composed of departmental representatives, who will include the shop stewards, and that from this committee as a whole, or from the shop steward and the non-shop steward sections of it separately, there should be elected a small number of representatives of the workers to sit on a Joint Committee. The proposal was made as a means of combining (*a*) the recognition of shop stewards and (*b*) the representation of all the workpeople on the Joint Committee, without duplication of committees for different functions. The firm, which recognizes the Unions and whose conditions are above the district standards, intends that the Joint Committee should deal with a very wide range of subjects, only some of which are shop steward questions.

for a year.[1] A fixed tenure, provided that it is not too short, seems desirable; a new election will reinvigorate the committee and if the workmen in general have any feeling which the committee has failed to express, it will give a chance for its expression.

The desirability of election by secret ballot has been emphasized by many employers and by some Trade Unionists.

IV.—PROCEDURE

Some Works Committees have regular meetings with the management, at intervals of a week, a fortnight or a month. A list of agenda is circulated and regular minutes are kept. In one establishment where this is done the men's chairman presides at one fortnightly meeting and a representative of the management at the next. In other cases the meetings are not regular, but are held whenever occasion arises. Arguments may be used both for and against a system of regular meetings. It may be urged in their favor that they provide a known and regular time for raising a question; that they enable questions to be raised in their initial stages, whereas, if meetings are not held until occasion arises, a question may have grown acute before a meeting is held; and, finally, that by bringing representatives of the management and the men into constant contact, they accustom either side to seeing and understanding the point of view of the other. It may be urged, on the other hand, that if meetings are regular, and at frequent intervals, there may often be no business to be done, and that the effect may be either to make the committee slack, or to induce the more restless members to manufacture business by finding grievances and discovering difficulties. In any case it may be suggested that the main thing is not so much regularity of meetings, as what may be called *the principle of the open door.* If the men know that their representatives have access to the management, and if they know that the management, on its side, is ready to consult their representatives, the success of the main function of the committee is secured. The number of times at which a general Works Committee needs to meet the management will vary with the type of works and with the degree to which sectional questions can be handled by such a committee. One committee, in an establishment in which relations have always been good, has

[1] In certain exceptional cases committee members are elected monthly and the secretary quarterly.

met the management on an average three times a year in the last twenty-four years, though in the last three years, owing to the number of questions raised by the war, the average number of meetings in each year has been seven. During the whole existence of the committee, however, the right of the separate trade delegates to meet the management has been freely used. Employers complain that workpeople tend to want all questions settled offhand, and fail to realize that investigation may be necessary; and one argument in favor of regular meetings is that they form a permanent and businesslike substitute for frequent sectional deputations. There would appear to be many questions which can be settled in a more satisfactory way if they are discussed and investigated at regular joint meetings. This method, however, cannot be applied indiscriminately; there will always be matters of urgency which must be taken up as they arise; and sectional questions may, in certain cases, be better treated apart from the regular meetings of a general Works Committee.

One other caution may be suggested in this connection. Works Committees instituted in engineering establishments during the course of the war have naturally found abundant work. The same will probably be true of the period of reconstruction after the end of the war. It is possible, however, that under normal conditions a system of weekly or fortnightly meetings might prove unnecessary. It may be suggested, therefore, that a distinction may be drawn, on the point of frequency of meetings, between what may be called "the emergency period" and the period of normal conditions.

Another question of procedure, which also bears on the matter of frequency of meetings, is connected with the position of the secretary of a Works Committee. In many establishments which have Works Committees a large part of the active work which they entail is done by the secretary. Difficulties are reported to him by the workmen concerned either directly or through a member of the committee, and he, after consultation with the committee (or, it may be, in lesser matters, immediately), brings the difficulties before the management. Such difficulties may often be settled at once, and their settlement simply reported to the Works Committee. A great deal of work may thus be thrown upon the secretary in consulting the workmen concerned and in interviewing the management, and the position is thus one which offers a great deal of scope to a man of capacity. Such a man may largely carry on his shoulders the current work, and the committee may only need to deal with larger questions. But the position has its difficulties, and

there are two matters which deserve particular notice. One of these is the question of the secretary or chairman's moving about the works during working hours, and entering departments other than his own, for the purpose of interviewing any workman who has preferred a complaint. If the secretary is bound to ask the consent of a foreman or overlooker before he enters a department, and if that consent may be refused, the work which the secretary can do in investigating and removing grievances is liable to be hindered. If, on the other hand, he can enter any department (without any formality, or on simple notification of his wish) and engage in discussion with a workman, the work of the department may be held to be likely to suffer. From the experience of several works, however, it would appear that this freedom of movement is found to be an essential condition of the success of a committee. The extent of freedom necessary, and the members of the committee to whom it should be allowed, will vary with the size and the other circumstances of a works.

The other matter which arises in connection with the position of the secretary is concerned with his remuneration. His secretarial duties may interfere with his own work. He is bound to lose time, and, consequently, unless some arrangement is made to indemnify him, he is bound to lose wages. In one case, in which, it is true, the work is specially complicated and onerous, the amount of time spent on secretarial work is said to amount to a total of 30 hours in the week; in another case the loss of wages involved has, over a period of several weeks, amounted to £2 a week. In one large works, where the committee is engaged to a great extent with questions arising from charitable work, the secretary now gives his whole time to the duties of his position, and is paid by the firm. In some cases it would appear that the secretary is paid ordinary time-wages for the time he spends on secretarial business in working hours; in other cases, where the work is premium bonus or piece-work, he may receive the average earnings, or, again, his companions may keep his machine running in his absence. It seems, however, that some arrangement is necessary to meet what is often a real difficulty. It may be argued that the management should pay the secretary [1] the full wages which he would otherwise

[1] In certain cases the secretary's (or chief shop steward's) guarantee of average earnings appears to depend upon the will of a foreman or ratefixer. Thus in one large establishment, where the premium bonus system is in operation, a chief shop steward is paid his time for periods during which he is engaged on negotiations with the management; it is usual, however, for the ratefixer to see that sufficient "extras" are added

have made, since the work he does conduces to the better running of the establishment. On the other hand, the men might object to such a course, on the ground that it tended to make the secretary more dependent on the management and less of a fellow-workman. Another method, which is employed in some cases, is that the secretary should be reimbursed for lost time by the workmen. In certain cases it may be noted that weekly contributions are paid by the workpeople to meet the expenses of meetings, etc.

Another question, which is somewhat analogous, concerns the time of the meetings of the Works Committee. Under one plan the meetings may be held in the employer's time, and the members may be paid full rates during the time they spend in attendance. This is a plan which is often adopted when there are regular meetings with the management. Many committees which have no regular meetings with the management meet after working hours. Another plan, which has been suggested, is that the meetings should be held partly in the employer's time (the members being paid full rates during that time) and partly in the time of the men, or, in other words, after working hours. This may present some difficulties, as some of the members may find it inconvenient to stay after working hours. On the other hand, it is argued that this course best corresponds to the logic of the situation; management and men both gain from the work of a committee, and it seems logical that either side should surrender a part of its time. The solution of the problem depends to some extent on the length of the working day. Members of committees have complained that to meet at 8 or 8.30 p. m., after 3 hours of overtime, was "a bit hard." Under normal hours the attitude would have been different.

In the matter of procedure in the stricter sense of the term there is at present a good deal of variety. Generally the procedure is somewhat informal, and this, in the earlier stages of a Works Committee, is perhaps to the good. The normal procedure, so far as one can speak of a normal procedure, is somewhat as follows:—

(1) A workman who has a grievance will report it, directly or through the committeeman in his department, to the secretary. Lesser grievances, which do not affect a number of men or raise a general question, may be set-

to the man's bonus earnings to neutralize the difference between the time wages and what might have been earned on bonus for the periods in question. This more or less casual arrangement does not appear to be a very satisfactory solution of the difficulty.

tled at once by the secretary with the foreman or departmental manager concerned.

(2) Grievances which are not thus settled are taken up by the committee, and brought by the committee before the management.

(3) If grievances or disputes are not settled with the management, they are carried to the branch or the district organization of the Trade Union or Trade Unions concerned, and they go henceforth along the ordinary channels of Trade Union organization.

The effect of this procedure can best be seen by comparing it with the procedure which is followed in the absence of a Works Committee or of recognized shop stewards for the separate trades. Where there is no Works Committee, the individual workmen, or a delegation of workmen, will bring their case to the management, if they can get admission; and failing any agreement, the matter will go straight to the Trade Union. Where there is a Works Committee the difference is this: first that there is a certainty of admission to the management; secondly, that instead of the onus of stating their case being thrown on the individuals concerned, there is a regular machinery (the officers and the committee) to sift the case and to state it formally; thirdly, that, instead of the action taken being individual or sectional, it is the general action of a body representative of all the works; and, finally, that there are two chances of a settlement being attained in the works (first between the secretary and the foreman or departmental manager, and, failing that, between the committee and the management) before the question goes outside for settlement. The main difference between this procedure and that adopted when trade shop stewards are recognized is much less, and only arises on the third of the points just mentioned. This difference, however, is important, because it involves the problem of the delimitation of a Works Committee's functions. It may also be noted that, in certain cases at least, the machinery of the Works Committee is brought into operation not as a preliminary to the question going before a Trade Union branch, but in support of a decision previously come to by a branch. This is so in certain iron and steel works. The difference, it may be said, is more apparent than real, because many of the branches (and these the strongest in numbers) are in such cases works branches—that is to say, the membership of the branch is confined to men employed in the works. On the other hand, certain branches extend their membership beyond the works; and, in so far as the Works Committee takes up a case already enter-

tained by such a branch as union business, there is another form of procedure. This procedure appears to have been adopted in certain cases with the acquiescence of the Trade Union branch concerned. It seems important that the place of the Works Committee in relation to trade questions should be properly defined; otherwise there may be dangers of overlapping and confusion through (*a*) the diversion of a purely trade question to the Works Committee, when it ought to go through the ordinary Trade Union channels, or (*b*) the use by a Trade Union branch of the Works Committee in support of a case which it should properly call upon the officials of its Union to handle.

Three other matters of procedure call for notice. One of these is the use of what may be called "the referendum." A Works Committee, when its members feel that a matter is important, and that it is necessary that they should ascertain and carry with them the opinion of the workers either in a department or in all the works, may summon a general meeting and bring the matter forward for discussion in that meeting. There may be no rules to decide when this should be done, and it may be done at different stages, either before a matter has been discussed with the management or subsequently to such discussion; but the possibility of such a general meeting enables the committee to make sure that its policy will be adopted by the workmen concerned, and it puts it in a position to assure the management that a policy thus confirmed can really be carried into effect. In certain industries the regular shop meeting is a feature of shop organization. This is so, for example, in furnishing and in the woodworking side of the aircraft industry in London. The shop meeting is really a factory meeting, and is held once a month.

Another matter of procedure is one which touches the management and directors of a firm. It is important that the representatives of the firm, who meet the committee, or (if it is a joint body) sit on the committee, should belong to the highest rank, and should include the general works manager (or, if there is one, the labor superintendent)[1] and one or more of the directors. A great part of the value of the Works Committee, from the point of view of the men, is that it brings them into contact, and gives them an opportunity of discussion, with the authorities with whom, in its

[1] A particularly interesting development during the war has been the appointment to the management staffs of several establishments of persons whose chief function is to deal with labor questions. The success of a Works Committee may to a considerable extent depend upon the status and qualifications of such an official.

absence, they seldom get into close touch, and then only on points of difference. Nor is it only the workmen who stand to gain if the highest rank of management is represented. Members of the firm who are primarily occupied with finance or technique will be brought into contact with those questions of labor which are the fundamental problems of industry, and in discussing these questions with the representatives of the workmen they are likely to gain a deeper insight into the best methods of conducting the industry.

Lastly, there are questions connected with the keeping of minutes, the drawing up of agenda, the presentation of complaints, and the like. Where regular joint meetings are held it is common for a complete record of each meeting to be made in shorthand by a member of the staff and for the workpeople's secretary to make notes of the proceedings; minutes based on the complete record may be circulated among the members of the committee after the meeting. Even where the committee of workpeople as a whole does not meet the management, it may supply the latter with copies of the minutes which concern the management. It is common for the management to supply typing facilities for the duplication of minutes and of agenda. In some works complaints made to the committee must be in writing. This rule has sometimes been introduced in order to check the making of frivolous complaints or inaccurate statements; it may be compared with a method of the "chapel," where a member may call a special meeting by placing a shilling (or other sum) "on the stone" on pain of forfeiting his shilling if the chapel decides that his complaint is groundless.

V.—FUNCTIONS

Since Works Committees are of different types, it is obvious that their functions vary considerably. In the first place there is the distinction already mentioned under the head of nomenclature. A Welfare Committee is concerned with all questions that affect the comfort and physical well being of the workman while he is engaged on his occupation; an Industrial Committee is concerned with industrial conditions in general. Often a Works Committee will undertake both sets of functions, but some committees may be confined, primarily at any rate, to the working of a system of bonus on output or premium bonus or piece-rates; others may be confined to questions of dilution; others may have a general and undefined scope which depends on an unwritten understanding between management and men.

There are several questions of a general character which deserve some attention, before we turn to the detailed functions actually discharged by various Works Committees. Are these functions always consultative, or are they sometimes executive? This raises another question—is it possible, in the strict sense of the word, to speak of a Joint Works Committee? What, again, are the functions of the management, and how far may a Works Committee trench on these functions? Finally, what is meant by "recognition," and what is the effect of recognition on the functions and powers of a Works Committee?

As far as the first question is concerned, it would appear that the functions of a Works Committee are practically always consultative. Usually a Works Committee can bring matters before the management and discuss them with the management; it can press its views about these matters on the management; in the last resort, it can induce the Trade Union organization to call a strike. But the Works Committee cannot usually, as such, carry its views into action, or ensure that they shall be carried into action, by any direct machinery. The management has the executive power, and unless the management is impressed by the representations of the members of the committee, or by the sanction which lies behind them, those representations will not lead to executive action.[1] This would appear to be usual even where the Works Committee is a Joint Committee. There are, indeed, certain cases in which the decision of a *majority* of the members of such a Joint Committee is carried into effect. This is so in the Pit-head and certain other committees which have the power to fine bad timekeepers; and in certain engineering establishments the question of prosecuting bad timekeepers before the Munitions Tribunal is decided by Joint Works Committees. But, so far as can be discovered, the general custom is to the contrary. *Unanimity* must be attained; the management must be convinced, and both sides must freely agree together, before executive action is taken. The operation of a Joint Committee is really in the nature of consultation between two parties—consultation which, if it results in unanimity, results in

[1] In one establishment, however, decisions upon disciplinary and timekeeping cases made by a committee wholly composed of workpeople are accepted by the firm. In some cases such functions as the day to day administration of a mess-room are discharged by committees wholly composed of workpeople. Even in such cases, however, an important decision—for example, one involving capital expenditure—would usually have to meet with the approval of the management before it could be put into force.

action, but not otherwise. It would be a mistake to think in terms of voting, or to think that even if there is voting, its result is a formal decision by a *majority* vote. What happens is rather discussion by which misunderstanding is often removed, and upon which, if *unanimity* is attained between the two sides, action will ensue. It follows, therefore, that generally we cannot speak of Joint Committees, if by Joint Committees we understand joint executive councils acting by the vote of the majority. On the other hand, there are Joint Committees, if by Joint Committees we understand deliberative meetings of both sides, always attended by both sides, though often accompanied by separate meetings of the two sides.[1]

A question of importance, when we are considering the functions of a Works Committee, is the definition of the term "management." It may be urged, on the one side, that the functions of a Works Committee should not be such as to interfere with management; it may be urged, on the other, that if a Works Committee is to be debarred from questions of management it loses reality and becomes a mere form. Much, therefore, depends on the sense in which the term management is used. Is the work of the foremen part of management? Or does the word denote the higher organization of industry? It would appear that a Works

[1] The division between executive and advisory powers in a scheme now under consideration for an engineering works may be noted. It is proposed that the former should include (1) those powers conferred by the Trade Unions and in accordance with the constitution or resolutions of the local Allied Engineering Trades and (2) those conferred by the firm. The suggested first list of executive powers contains the following:—determination of hours of work (with minimum of 50 per week); messroom; heating, lighting, sanitary matters, etc.; ambulance; collections, supervision of notice boards, entertainments, etc.; proposed technical lending library and works magazine; and organization of the Sports Association. The advisory functions include the regulation of piecework; the engagement, discharge, dilution and transfer of labor (excluding disciplinary discharges); training and education of apprentices; suggestion of improvements in methods; timekeeping, etc. It is proposed that seven sub-committees be formed, each sub-committee to deal with one or more of the above-mentioned functions, *e.g.* a sub-committee for hours of work, engagements and discharges, and timekeeping; a sub-committee for messroom; and a sub-committee, advisory and *negotiatory*, for piecework. There is this reservation in regard to executive functions that if capital expenditure is involved authority should be obtained from the firm before such expenditure is incurred.

Committee, if it is to be of any value in ventilating and removing grievances, must be in a position to ventilate grievances arising from the conduct of foremen or overlookers. Such grievances touch the worker most closely in his daily work, and if they cannot be discussed the committee loses a sphere of action in which it might be of the greatest service. It is true that if a committee has the right of criticizing the action of foremen, difficulties may arise. Foremen may feel that their authority is undermined; they may feel that they are being made responsible not only, as heretofore, to the management (a responsibility they know and understand), but also to the committee; they may feel that, with a dual responsibility, their position becomes exceedingly difficult. These are real problems. In many instances, however, they seem to have been surmounted; and if they prove serious, they may perhaps be met, to some extent, if the general manager arranges to meet the foremen in advance, and to discuss with them criticisms and grievances which have come from the Works Committee.

The last of the general questions raised by a consideration of the functions and position of a Works Committee is that of "recognition." This, again, is a term which seems to be understood in different senses, and which it is difficult to define. A committee may be held, from the point of view of the management, not to be recognized, even when the management is in constant touch with its secretary, and even when it consents to meet those members of the committee who represent a department which has a grievance. Here the point would appear to be that the management does not, as such, formally meet the *whole* committee. In another case a system almost exactly parallel—a system under which the management interviews four or five members of the committee—is described as one of "recognition." The term "recognition" thus appears to have no fixed meaning; and it may be concluded that what matters is the fact of consultation between a committee and the management rather than any formal pronouncement about the fact.

In the preceding paragraphs the functions of a Works Committee have been discussed with reference to the management. It is obvious that they must also be discussed with reference to Trade Union organization. A Works Committee must stand in some sort of relation to the district committees of the Unions to which the workmen in the works belong, and some demarcation of functions, whether explicit or implicit, has to be made. The relations vary, and the demarcation is not always easy to make. Generally the division is said to be that questions of general application—district

rates of wages, hours of work, and other district or national conditions of work—are regarded by Works Committees as outside their sphere, and such questions are left to be settled by the employers or associations of employers with the Trade Unions.[1] On the other hand, questions of a particular application relating to a works—for example, a piece-rate for a particular job for which it is impossible to lay down any general piece-rate for the district—are regarded as belonging to the functions of a Works Committee. Such a committee may thus deal (1) with the particular application in the works of a principle general to the district, and (2) with questions which are entirely peculiar to the works. But the general problem of the relations of Works Committees and Trade Union organization is one that demands separate treatment, and it will accordingly be treated in a subsequent section.

The powers of the management and the powers of the local Trade Union organization may be said to constitute two points more or less fixed, and the powers of a Works Committee are naturally determined with reference to these two points in ways that vary according as those points vary. Turning to the Works Committee in itself, we may distinguish two main types of function. In the first type a committee is primarily concerned with some one particular thing—a scheme of dilution, a system of bonus, or a method of profit-sharing. This does not prevent such a committee from dealing incidentally with other things. On the contrary, a committee on dilution will be led to discuss the wages of dilutees and other questions; a committee on a bonus system will be led to deal with time-keeping and other matters which affect the bonus. A committee, therefore, which is primarily and formally concerned with a particular thing may actually be something of the nature of a general Works Committee. When once an organization is created, if only for a single activity, it will naturally become a center for other activities; the management, finding a representative organization which it can consult, may consult it on broader issues; and *vice versâ* the representative organization, meeting the management to discuss one issue, may readily tend to bring forward other issues. The tendency for this to come about is greater if the committee is one of shop stewards who are charged by their Unions with a general supervision of conditions.

In the second type a committee is from the first general in its

[1] This does not mean that the Works Committee may not consider an alleged infringement of such conditions. This, as we saw previously, is one of the usual duties of shop stewards.

range, and is formed to deal with the general industrial conditions of a works. One such committee has for its province (1) to inquire into grievances reported by workmen; (2) to bring before and discuss with the management grievances that it considers genuine; (3) to consider complaints about wages and piece-rates which concern individuals; (4) to consider questions relating to the health and safety of the workmen; (5) to consult with the management on the interpretation of awards, orders and circulars; and (6) to consider generally the conditions of work in the establisment. This may be considered to be fairly typical. Another committee, primarily concerned with piece-rates, has also dealt with questions of ventilation and sanitation, complaints about the decisions of foremen, arrangement of shifts and of hours of admission to the works, the allocation of piece-work and time-work, and the interpretation of official orders and circulars. Other matters, handled by Works Committees include works discipline, especially timekeeping, methods of paying wages, hours of overtime, and the like.

Instances may be cited of committees which are tending to exercise, or actually exercise, peculiar and interesting functions. In several cases Works Committees have made suggestions for economies in the running of machinery, and it is agreed on both sides that the committees have brought to light weak spots in organization.[1] A striking feature is the keenness of certain committees, or of the more active members of these committees, to discuss the after-war situation, and this in relation not only to working conditions, but also to such problems as the proper employment of plant. Another case is equally interesting. This is the case of a works in which a Works Tribunal has been instituted in lieu of the Local Munitions Tribunal. The men elect a jury of twelve and a chairman; and this tribunal has been successful in bringing about a great improvement in discipline and time-keeping.[1] An incident in this works, though it does not bear directly on the matter of Works Committees, is indirectly of value as showing that consultation with the workmen may be of great service to the management. A question arose of the introduction of dilution into the works, and the men in the pattern-making shops objected to its introduction. They were interviewed by the managing director, who asked what alternative suggestion they could make for increasing output. They answered that they believed they could easily increase their output

[1] The same is said of Pit-head Committees—a form of colliery committee to ensure increased out-put.

[1] This is a very interesting matter, especially in view of the argument in the report of the N.W. Commission on Industrial Unrest, that *joint*

if they had additional equipment. A tool catalogue was put before them: they suggested the purchase of a number of tools costing in all nearly £2,000. The tools were bought, and the output was increased by 50 per cent. without dilution.

The range of functions which a Works Committee can efficiently undertake is necessarily indefinite, and a subject of contention not only between employers and workpeople but also between different groups both of employers and of workpeople. Some of the questions on which there is considerable difference of opinion may be noted; they include questions affecting promotion, dismissal, the suggestion of improved processes, lectures and education in trade technique, and works discipline.

The question of alleged wrongful dismissal is already handled by the Trade Unions, and there is a considerable body of opinion among both workpeople and employers that, at least in the first instance, it is a suitable function for a Works Committee. Dismissal for such a reason as alleged disobedience, it is argued, may be only a cloak for victimization; reasons may be invented by a foreman in order to get rid of particular men. The claim is made that the other workpeople are likely to understand the psychological influences underlying such action, and that no such dismissal should be made until the circumstances have been discussed with the Works Committee. The situation in which slackness of work compels a considerable reduction in the number of employees is more complicated; on the one hand, workpeople complain that the opportunity is used by certain employers to get rid not only of the less efficient employees but also of those who have shown themselves active in support of their fellows—that is, to cover up victimization; on the other hand, employers complain that workpeople are exclusively biased in favor of the claims of seniority, and make little, if any, allowance for differences in efficiency. There would appear to be some truth in both contentions. A frank discussion would probably tend to remove the causes of the workpeople's complaints and, at the same time, to produce a balance between the

committees of employers and employed would administer "industrial law" better than legal tribunals. The existence of a number of Joint Committees which exercise such functions has been mentioned. The particular interest of the above mentioned Works' Tribunal is that it is not a Joint Committee but is wholly composed of workpeople. The firm has no status in the court, merely appearing by its representative as it would in the Local Munitions Tribunal. Procedure is quite formal, and the firm's representative is expected to address the chairman as "Sir."

claims of seniority and of efficiency satisfactory to both employers and employees. What is perhaps even more important is a further argument; such frank discussion would lead to plans for the alleviation in the particular works of the effects of a general slackness. It is not contended that any general remedy for unemployment can be found on these lines; all that is suggested is that local and individual effort may help to solve the problem. Dismissals due to the introduction of new machinery or new methods are perhaps of a kind with which a Works Committee might properly deal. Workpeople are ready to acknowledge the benefits due to improvements and yet naturally resent such improvements where they involve the destruction of their craft or sudden loss of employment. It may be suggested that what individual employers have done in the past—namely, to make arrangements by which the dislocation of livelihood is reduced—can be carried out more generally; and that in individual establishments adjustments for such a purpose are a suitable subject for discussion by a Works Committee. It is, of course, a subject of vital importance to the Trade Unions; it is indeed an aspect of the process of dilution as seen at work in the normal industrial conditions of peace time. Though the Trade Unions could not be expected to hand the matter over to a Works Committee, there appears to be room for the latter to deal with the question within certain limits.

The appointment of foremen is a question on which there may be said to be three groups of opinions. Many employers hold that it is purely a management question. The opposite extreme to this is the claim made by a considerable section of Trade Unionists that the workmen should choose their own foremen. A position intermediate to these two extremes is taken up by a certain number of employers and by a section of workpeople; the appointment (they feel) should be made by the management, but it should be submitted to the Works Committee before it becomes effective. Even this intermediate position, however, is not really a common position; there are differences of opinion as to the conditions under which the appointment should come before the Works Committee—that is to say, whether or no the Works Committee should have power to veto the appointment. Those employers who are prepared to submit such appointments to a Works Committee are for the most part of the opinion that this should only be done in order to explain the reasons for their choice. This, they hold, will tend to remove obstacles which might otherwise be put in the way of the appointment. A considerable body of workpeople, on the other hand, hold an intermediate position which comes nearer to election of foremen

by the workpeople; they think that the Works Committee should have the right to veto the choice made by the management. A few employers consider that this—or even direct election—may be possible when a Works Committee, through the experience gained in consultations about such appointments, has learned to estimate all the qualities necessary in a foreman. It has already been mentioned that Works Committees very often discuss the conduct of foremen. The conclusion then reached, that such discussion was a desirable function for a committee, would appear to involve as a corollary that of consultation about appointments. This latter function would tend to remove the necessity for the former.[1]

Among the results expected from the giving of a larger measure of responsibility for industrial conditions to the workpeople is a considerable increase in efficiency. This is said to be possible if the ability of the workpeople to suggest improved processes and methods is properly used. The experience of individual firms would appear to confirm this contention. Many firms have for years past had awards schemes in operation, and in certain cases these have stimulated important suggestions for improvements. The fact that the "suggestion box" is often stated to have proved a failure is not necessarily a condemnation of the idea; it may only mean that the somewhat mechanical and uninspiring device is in itself an inadequate stimulus. A comparison of the results secured in establishments more or less similar (so far as work is concerned) would suggest that the success of an awards scheme depends to a great extent upon the action of the management. Where the manage-

[1] This question of promotion has been discussed in one aspect only, *viz.*, in relation to the appointment of foremen. It is, of course, much more general, and is in many of its aspects a matter of agreement between Employers' Associations and Trade Unions. Such agreements may regulate progress within a trade or a group of connected trades, and necessarily involve, among other questions, that of standard rates of wages. The discussion of promotion in this wider sense of the term could come within a Works Committee's functions only where the Trade Unions make no conditions except the payment of standard rates—and then only within the limits of this condition. The promotion to foremanship may be said to be distinct, in that a foreman is a member of the management staff, and directly concerned with such employer's interests as the maintenance of discipline. The dividing line, however, is not well defined in certain cases, and the fact that certain Unions which largely control promotions among the men paid by wages have also organized the lower grades of the staff, paid by salary or standing wage, complicates the issue. In some of these cases certain Unions claim the right to intervene.

ment gains the confidence of the workpeople, and has devised methods of considering suggestions which appeal to the workpeople, there is a much more powerful response than in works where, though there may be a suggestion box, these conditions are absent. Many employers and workpeople agree that a Works Committee may not only produce the atmosphere necessary to the stimulation of suggestions, but may also help to arrange for the proper investigation of proposals made by workpeople. In this connection, as in the quite different field of grievances, it would appear to be important that suggestions which look to be worthless should, nevertheless, be considered. To put the matter on the lowest ground, this will probably pay in the long run. The fundamental matter is that every one should be encouraged to think about the processes and the organization of the works. It should be noted that workpeople very commonly complain of the staff's attitude on such matters; any suggestion, they say, is apt to be brushed aside with the remark that they are not paid to think but to work. The obstruction in such cases may be a foreman or manager, and even though the higher management may be sympathetic, it may never hear of a suggestion. His mates also are sometimes not very encouraging to a workman with ideas. For lack, therefore, of encouragement, or because of actual discouragement, ideas of value are held back and the capacity for ideas destroyed. How best to arrange that suggestions will be guaranteed an adequate consideration is not a direct concern of this report, except in so far as a Works Committee may be employed for the purpose. It is doubtful whether a general Works Committee is a suitable body with which to discuss the value of a change in a particular process or machine, and the use of a small sub-committee for this purpose may be suggested. The argument has been used that a man will place his ideas before two or three responsible work-mates for their criticism, but not before a big committee. If the small committee thought the proposal sound, it would then go straight to the higher management. For more general questions of organization, as distinct from questions of individual methods or machines, the general Works Committee, or in large works a Departmental Committee, would probably be a suitable body. Testimony to the value of suggestions made by both of these has been received from employers. A further suggestion with a direct bearing on this subject has been made; that the education which certain firms provide for sections of their staff, such as foremen and underforemen, might be extended to representative workpeople. This may take the form of educational lectures, which will widen the outlook of the specialized worker by showing him how

his own activities fit into those of others and into the general plan of the establishment's activities.[1]

The attitude to a Works Committee's assumption of responsibility for discipline varies very considerably, both among employers and among workpeople. There is a considerable body of experience, and it would appear that, though there are examples to the contrary, Works Committees which undertake disciplinary functions usually do so with success. There is, at the same time, a very general demand among workpeople that, if Joint Committees are to discuss the bad timekeeping and other mistakes of the employees, they should have similar powers of dealing with faults on the side of the management. In a number of establishments committees regulate fines or deductions made from bonus because of lost-time, negligence, damage or other cause.

A note of caution may be added. There is some evidence that a small minority of employers may endeavor to use a Works Committee in order more easily to impose penal conditions which are objected to by the main body of workpeople. This is opposed to the whole spirit which makes a Works Committee a success, and is bound to produce friction. A somewhat similar attitude is taken up by a small minority of workpeople who appear to desire that no joint meetings should be held in an orderly or businesslike manner.

It may be added in conclusion of this section, that the opinion, and indeed the practice, of a number of firms inclines in the direction of *ad hoc* committees. It is held that this enables the firm to consult the men who are directly concerned, and that it has the additional advantage of giving greater reality to the consultation. When consultation takes place on an immediate and definite issue, it is said to result in practical and useful discussion; and the fear is expressed that consultation, in the absence of such an issue, may only be an empty form. The inclusion in such committees of the shop stewards who represent the classes of men concerned—as is often the case—gives a direct connection with the Trade Union or Unions whose standard may be affected.

VI.—RELATIONS WITH TRADE UNIONS

Something has already been said in the sections dealing with the constitution, procedure and functions of Works Committees, concerning the relations between such committees and Trade Union

[1] Another interesting feature in this connection is the development of Works Magazines.

organization. The position is in certain respects somewhat paradoxical; the problem as seen by most Trade Unionists is that of strengthening the Trade Union organization in the workshop, but, on the one hand, many employers prefer not to deal with the shop stewards in the works but with the outside Trade Union organization, and, on the other hand, some elements in Trade Unionism prefer that it should stand outside the workshop and handle questions in each works from the outside, while some unionist shop stewards consider that their Works Committees should not be subject to any control of the Trade Unions. The general question of the relation and the relative weight and power of Works Committees and district organization is one which is likely to be settled gradually in experience and actual working. Here it may be convenient to draw attention to some considerations which appear to affect this general question, particularly as seen in the engineering industry.

The first consideration is that the change in the conditions of working have made necessary the development of new machinery for collective bargaining. Since the questions for which this machinery is required are, to a great extent, peculiar to individual establishments, the collective bargaining, if it is to be done at all, must be carried through in each establishment. At the same time, unless the results are to impair the standard conditions which it is the business of the Unions to uphold, the work must be entrusted to representatives of the Unions. Thus there has come about a natural development in the functions of the shop stewards. Previously they had to see that no encroachments were made on standard conditions; now they may have the more positive duty of participating in the settlement of piece-work prices in terms of these standard conditions.[1]

In regard to the changes just mentioned, and in regard also to dilution, the interests of the work people belonging to different skilled Unions are more or less the same. This, combined with the natural community in the works, probably accounts for the fact that certain apparent difficulties of representation are, as a rule, easily overcome. The impossibility of so representing different Unions on a Works Committee that satisfaction is secured to all is alleged to be such a difficulty. So far as the skilled trades are concerned—at least in engineering—the difficulty would not appear

[1] The appointment by the men of a separate rate fixer, whose business it would be to arrange piece prices with the firm's rate fixer, is a suggested development towards which a movement is being made in one or two firms. In one large establishment, such a duplication is suggested by one of the firm's rate fixers as a very desirable arrangement.

to be serious. In many cases where even a small minority only of the skilled Unions have *direct* representation there would appear to be no dissatisfaction.

As between the members of skilled and unskilled Unions the position is more difficult. There are several cases of two separate Committees of Shop Stewards—one representing the skilled and the other unskilled and semi-skilled men—in the same works. In other establishments, however, skilled and unskilled men vote for the same committee and act together as members. This would appear to be the most desirable arrangement. The case, however, in which a minority of unskilled men in each department is represented on a Works Committeee by a skilled unionist is not exactly on a par with that in which a minority belonging to an unskilled Union is so represented. Apart from the fact that unskilled men are more likely to be distributed through all the departments, so that though in a minority they form a considerable proportion of the total number of employees, there is the further consideration that the similarity of interest and the community of feeling are not so pronounced. In many establishments the difficulty has apparently been surmounted; but in a number of others it is still a serious problem. The problem would appear to be one which cannot be settled by the men in each establishment—though they may provide valuable suggestions—and it must probably be left for the Trade Unions concerned to come to some agreement on the matter. For this reason a certain number of workpeople, both skilled and unskilled, consider that in cases where the difficulty is acute the policy of two committees is the best present working arrangement. The defects of such a system are perhaps too obvious to require particular mention. It may, however, be noted that the system obstructs very considerably that joint consideration of common interests and desires, to find expression for which is one of the main purposes of a Works Committee. It tends instead to concentrate the attention of each committee upon points of divergence of interest.

The coming together into one committee of shop stewards responsible to different Trade Unions raises a number of questions. It is true that the rules by which Unions define the functions of their shop stewards are fairly uniform, and so long as a Works Committee respects the rules of the different Unions there is little fear of overlapping or confusion in functions. The general rule which determines the functions of a Works Committee in relation to Trade Union organization has already been mentioned. As is said in the case of one Committee, "The Committee regard questions of general application, relating to rates of wages, hours of work or

otherwise, which affect 'district conditions,' as beyond their jurisdiction. There is no formal rule to this effect; but this limitation of the Committee's power is well understood, and no difficulties have arisen."

It is thus the rule that general questions of district or national conditions are left to the Trade Unions, while the Works Committee deals with either the detailed application of these general rules within the works or with questions entirely peculiar to the works. On the whole, the information which is available would suggest that the division of jurisdiction is well understood and closely followed. There are, however, certain difficulties.

In the first place there is evidence of uncertainty as to whether or not a Works Committee should undertake certain functions; matters may sometimes seem from one point of view to be "branch" or "district" business, and from another to be "works" business. A tool-room bonus, for instance, may be arranged in a works between a committee and the works manager, and they may agree in regarding it as a works affair, while the local branch (or district committee) of the Union concerned may consider that it is a question of wages which demands their sanction. In view of the variety and complexity of bonus schemes which have been instituted in munitions factories, and of the possible reactions of these upon standard rates, there would appear to be some need for careful definition of a Works Committee's functions in this field.

There is some evidence also of actual conflict of authority. Such cases, however, would appear to have been given an altogether disproportionate prominence in public discussion, to the detriment of those whose main desire is to create a constitutional machinery suited to new and rapidly changing conditions. In a few instances, however, a Works Committee would appear to have been in doubt as to whether it was an independent organization or one subject to Trade Union control. Thus, a Works Committee wholly composed of Trade Union stewards has made a demand for an advance in wages to which, under an alternative agreement made by the Trade Unions, the workmen represented by it had no claim. In one or two cases representations have been made to Government Departments for advances in wages and improvements in other working conditions in individual works, independently of district or national machinery, though the works in question were known to recognize district standards.

It would appear that the uncertainty as to the real position and powers of a Works Committee in relation to the Trade Unions is, at least in the engineering industry, to some extent due to the fact

that the various members of a committee may be responsible to many different Unions. Though, therefore, the Works Committee may aspire to be a unit of government, this is rendered difficult in view of the different and possibly conflicting authorities from which the members obtain their status. One suggested scheme proposes to overcome this particular difficulty so far at least as the Unions of skilled men are concerned. It would bring the committees in the various establishments under the district Engineering Trades Joint Committee, and confine membership of any committee to those organized in the Trade Unions affiliated to the district committee. This question of the relationship of works to district committees is interesting also in view of the proposals contained in the Whitley Report. That Report advocates Joint National and District Councils and Works Committees; and the problem of the relations of the District Council and the Works Committee and their relative functions is one which will need to be investigated when measures are being adopted to institute such Councils.

The need for this consideration of relationships between Works Committees and the district Trade Union organization would appear to be more necessary in certain industries than in others. It would appear, for instance, that in the iron and steel industry the fact that members in one works commonly form a branch of their Union, and that the secretaries of branches are usually—it may be in virtue of the office they hold—members of the Works Committee, makes the problem of inter-relations less difficult, at least for those Unions which are organized on the basis of works.

A point of procedure may be noticed. It is sometimes the case that a Trade Union official accompanies the representatives of the Works Committee in an interview with the management; or, again, a Trade Union official may attend the deliberations of a Joint Committee if the men so desire.[1] But this apparently is exceptional; and, as a rule, a Works Committee acts by itself, and refers to Trade Union officials questions which are too large or too difficult to be settled in the works. It should, however, be noted that many trade unionists are of the opinion that the right of the Trade Union officials to attend committee meetings (or to inspect the minutes of a committee) is a necessary condition of the satisfactory solution of the question of inter-relations.

Two other questions which are involved in this problem of the

[1] It may also be noted that officials of the various Unions were members of the workmen's side of the Joint Committee formed in connection with a profit-sharing scheme instituted before the war by a well-known shipbuilding firm in a northern town.

inter-relations of Works Committees and Trade Unions call for notice.

The first relates to the victimization of men who show themselves active as shop stewards or as members of a Works Committee. It is impossible to estimate to what extent such victimization actually occurs, and this is partly due to the difficulty of defining what victimization is. Workmen complain not only of victimization, but also of the difficulty of bringing the charge home even when (they state) they have no doubt about the facts. For this reason many of them hold the view that, unless the Works Committee is properly related to and protected by Trade Unions, it cannot hope—in certain establishments at least—to discuss questions before the management with that sense of freedom which is essential to the success of joint deliberations. In this connection it may be noted that one of two reasons given for the short terms of office of the shop stewards and secretaries of committees in one industry (one and three months respectively) was the fear of victimization. The other reason—in this the Works Committee appears to revert to the early forms of conducting the business of Trade Union branches—was stated to be the desire that every one should take his share of office.

The other question relates to the allegations made by certain Trade Unionists that certain employers—more particularly in one or two industries—are fostering the growth of Works Committees in order to destroy Trade Union influence in their works. The danger, it is said, from the point of view of Trade Unionism is exactly the same as that which is believed to result from profit-sharing, *viz.*, that the workman is detached from his fellows and his power to obtain certain standard conditions is consequently weakened. The further charge has been made, in regard to one or two industries, that the employers were proposing, in the name of the Whitley Report, to form Works Committees without connection with the Unions, and from these committees to build up District and National Councils representative of employers and employed. It must, however, be emphasized that any such action is directly opposed to the proposals of the Whitley Report. These proposals look to the control of Works Committees by National or District Councils which, on the workpeople's side, would be representative of Trade Unions only; and, in order that Works Committees should be formed on lines satisfactory to the national organizations, the Report proposes that the formation of Works Committees should, as far as possible, follow, and not precede, that of the National and District Councils. A logical application of this order of procedure

may be impossible, but wherever individual employers find it desirable to form Works Committees before National or District Councils are instituted, the idea of the Whitley Report may be so far followed that such proposals should be brought before the Trade Unions concerned, and they should be asked to share in the formation of the Works Committee.

VII.—GENERAL CONSIDERATIONS

The applicability of Works Committees to different industries is a matter of importance. During the war the discussion of them has been associated most generally with the engineering industry, and it is probably in that industry that, for reasons already stated, their development during the war has been most rapid. This development, however, has by no means been confined to engineering; and in certain other industries, for example, iron and steel works, there has been a marked increase. If we consider pre-war experiences, and include not only general committees formed for special purposes, but also section committees, it would appear that an industry in which committees had not been in existence at some time or other would prove the exception rather than the rule. In this connection one may note that in establishments in the distributive trades several committees have been formed to help in the running of profit-sharing schemes. It may also be noted that during the war one very large establishment has seen the development not only of separate Committees of Shop Stewards, representing the skilled and unskilled sections of engineering respectively, but of at least two other committees constituted on more or less similar lines. One of these is composed of shop stewards from the building trades, and the other of delegates from the clerks engaged in the various departments. The works in question is exceptional, not only in size but in certain other respects, so that it cannot very well be taken as an example. The specific representation of the building trades may, however, be put alongside the previously mentioned examples of informal committees constituted on big works of building construction. It may also be argued that if a committee is desirable in a distributive trading establishment for the administration of a bonus scheme, the same form of organization may be useful for other general purposes. It may further be argued—and it is so argued by some—that a Works Committee is desirable in any establishment in which more than a certain number of people are employed. Whether the organization is either necessary or desirable in every or nearly every kind of establishment is a question which the future must solve. Here it may be noted that at present considerations

almost diametrically opposite to one another appear to determine the general absence of committees from different groups of industries; in some this would appear to be due to the absence or the weakness of Trade Union organization, while in others the strength of Trade Union organization makes Works Committees unnecessary for the purposes which call them into existence in a number of industries.

The cotton industry is a case in point. Here the contiguity of the mills, and the fact that conditions are so uniform that district piece-lists are practicable, ensure that the strong district organization (with its permanent secretary on both sides and its district committee on both sides) is adequate to those needs which in engineering, for instance, have produced the demand for a works organization. The same problem of wages has necessitated in other industries, *e.g.*, certain of those coming under the Trade Boards Acts, direct State-enforcement of piece-rates. Though for this purpose a Works Committee may be unnecessary or undesirable in both groups of industries, it may be that other purposes will produce a similar form of organization. It would appear that most of the needs to which reference has been made in this report are not quite peculiar to any one type of industrial establishment, but more or less common to all. Questions of foremanship may be given as one instance. Welfare is another; very many matters can be brought under its scope, and it seems likely that in future Works Committees will come to play a greater part in their administration.[1]

It may be suggested that the size of the works concerned is a factor of importance in any discussion of the range of application of a system of Works Committees. It is sometimes urged that Works Committees are only valuable in large works, in which the workmen number 3,000 or upwards. It is certainly true that the larger the works, the greater the help which a Works Committee can give in putting the higher ranks of the management in touch with the feelings and needs of the men. In a small works the manager will probably be able to familiarize himself with every detail of the work, and he will be brought into contact with nearly every workman. He may feel that he is already in close touch with the men, and that a Works Committee cannot make the touch closer. Even here, however, a Works Committee is likely to help. It will enable

[1] Since the above paragraph was written a movement to bring the union organization more closely into relationship with the conditions in individual cotton mills has produced a scheme in the Oldham district. The proposal is to make shop (or mill) clubs an integral part of the district union, to deal with shop grievances, etc.

the management to discuss matters not with isolated individuals, but with the accredited representatives of the whole body of the men, and it may help to bring to light difficulties, needs, feelings and defects which might otherwise have remained concealed. A Works Committee may thus serve not to supplant, but to supplement, the advantages of personal touch, even in small establishments; while in large establishments, where personal contact is not so easy, the help which it may give is obvious. In any case it should be remarked that committees are to be found in works of very different sizes. One committee is concerned with workers in a single establishment to the number of 10,000 men; many are to be found in works in which the workmen number about 3,000; a number exist in works employing about 100 workmen.

To this may be added the expression of opinion of the owner and manager of a small printing office where the compositors' chapel (there is only the one chapel in the office) has at present only ten members. He is in direct contact with each of the men; but he has found it advantageous in the past to have the father of the chapel and one or two of the other compositors together "for a talk over tea." This, it may be said, is done in many small businesses. It may, however, be worth while to consider the advisability of putting such discussion on a regular footing even in small businesses. In the instance mentioned the employer proposes to make a trial of regular discussions. Probably the only generalization one can safely make about the need for Works Committees in relation to the size of the establishments is that the need increases with the size.

There remain two points of importance. One is the question of the practical success of Works Committees; the other the importance from that point of view of the human factor.

As regards the first question, evidence is forthcoming from all parts of the country—the Clyde, the Tyne, the Midlands, the Bristol, Manchester, Yorkshire, and London districts. As regards the second, this much is clear: success depends to a great extent on the existence of a spirit of counsel and understanding on both sides. If "the management door stands open" to all legitimate grievances, and if the men are ready to present their grievances and to take into consideration the difficulties of the management, the fundamental conditions are present. Much will always depend on the personalities concerned. Every human institution requires for its success the guidance of personalities. A Works Committee requires for its chairman or secretary—or, at any rate, one may say, ideally requires for its chairman or secretary—a man of personality, trusted

by his fellow-workmen, respected by the management, with the spirit of service, and ready, in that spirit, to give his services freely in the cause of his committee. It requires no less a sympathetic and capable management, ready to listen, ready to weigh carefully, ready to take pains in discussion, and prepared to persuade and to be persuaded. It is one of the most encouraging signs of the times that on both sides such men have been found, and that, both among the management and the men, personalities have emerged to meet the needs of the institution.

Works Committees mean discussion; discussion takes time; and from this point of view it is sometimes argued that a Works Committee may tend to slow down the pace of industry; and, again, that it may be difficult to convince a committee of the value and the feasibility of a new idea or process, so that the way of innovation may be somewhat impeded. These, however, are theoretical objections. In practice Works Committees—the evidence would suggest—have improved timekeeping and increased output, and in that way they have accelerated rather than impeded the pace of industry. In practice, again, they have been the opposite of conservative, and instead of checking change they have themselves suggested change. And even if they made the pace slower, or change more difficult, they have advantages that would compensate, and more than compensate, for these defects. They make for better relations and greater harmony, and these are the things that matter most to industry. More time is gained by the absence of disputes than is lost by the presence of discussion; more improvements can be introduced in an atmosphere of harmony that can possibly be introduced in an atmosphere of suspicion.

That Works Committees have, in the great majority of cases, tended to introduce greater harmony, and, through it, greater efficiency, is proved by the evidence of those concerned in their working. It is not denied that in some cases (though these are very few) Works Committees have failed. A few cases of such failure have been noted in committees instituted during the war for general purposes. In one of these the failure was perhaps due mainly to defects of machinery, and it is stated that the Works Committee may be resuscitated; in another the failure was due to deep-seated causes, which made success impossible, and the failure reflects no discredit on the institution. In almost every case, however, the testimony is to the opposite effect. Sometimes introduced with difficulty and amid suspicion, committees have established themselves and done service which is acknowledged even by their original opponents. By providing a channel for the ventilation of

grievances at an early stage, and before they become acute, they have prevented disputes and strikes, and they have improved time-keeping and increased output. Nor is this all. The functions of Works Committees are not merely concerned with bringing grievances before the management, but also with a preliminary enquiry into grievances, in order to decide whether they are well-grounded and serious enough to be brought before the management. The work which they do in this preliminary stage is not the least valuable part of their work, and, far from hampering the management, it obviously does the reverse and relieves the management of difficulties and grievances it would otherwise have to face. Grievances are either nipped in the bud by being shown, upon discussion in committee, to be unfounded, or they are settled in discussion between the secretary of the committee and the foreman or head of the department, and in either case they never come to the main management. When grievances cannot be settled in this way—since, for example, they may involve the head of a department directly—there remains the possibility of access to the main management. The necessity for this has been emphasized by both representative employers and representative workmen; and upon it, so far as can be judged, depends not only the removal of grievances, but (what is still more important) that really suggestive and constructive work which the signatories to the Whitley Report had in mind in recommending that workpeople should be given a larger voice in determining industrial conditions.

In more than one works the summary of opinion on a Works Committee—and that not on one side only, but on both—has been expressed in the phrase, "This is the best thing that has ever happened in the shop." Such a summary could not be given if experience had not proved that a Works Committee was more than a piece of machinery and something different from the old methods of industrial conciliation. It means that a Works Committee is felt to be something vital and something new—something that enlists the workers in real participation, and something that offers fresh promise for the future.

APPENDIX I

for

WORKS COMMITTEES REPORT

QUESTIONNAIRE

1. *Origin.*

When did the Committee come into existence?

(*b*) Under what circumstances did it arise?

(*c*) What procedure was adopted to put the proposal of a Committee before the employees (or management where the initiative came from the employees), and draft a constitution?

2. *Constitution.*

(*a*) Is there one Committee only, or more than one?
If more than one what are their relations, if any?
In the case of each:—

(*b*) Is it a joint committee, representative of management and employees, or a committee of employees alone?

(*c*) In the latter case what arrangements exist for meeting the management?

(*d*) In the former case does the workers' side constitute a separate committee, meeting apart from the joint committee?

(*e*) How are the workers' representatives chosen? What classes, grades of workers, or departments are represented and in what proportion? Are any classes of workers not represented?

(*f*) What representation, if any, have Trade Unions, as such, on the Committee?

i. Is the whole or any part of the membership of the Committee confined to Trade Unionists?

ii. Has any Union any part in the appointment of members?

iii. Is any full-time Trade Union official admitted to sit with the Committee, and if so, in what capacity?

iv. What is the relation (if any) of the Committee to the Trade Union stewards or delegates in the works?

(*g*) How are the representatives of the management appointed?

(*h*) What officers has the Committee, and how are they appointed?

(*i*) What changes in the constitution of the Committee have been made since the establishment of the Committee, and for what reasons?

(*j*) What changes in the constitution are desired by either side, and for what reasons?

3. *What are the Functions of the Committee?*

(*a*) i. Wages questions—
Piece prices. Bonus times.

Allocation of collective bonus.
Application of wage orders, &c.

ii. Working hours—
"Clocking."
Breaks. Shifts.

iii. Allocation of work—
Piece and time. Demarcation.
Dilution.
Overtime. Short time.

iv. Works organization—
Suggestion of improvements.
Discussion of proposed innovations.
Place of apprentices.

v. Discipline—
Timekeeping. Language.
Methods of foremen.

vi. Disputes—
Discussion of complaints.
Settlement of differences.

vii. Welfare—
Canteen management. Rest periods.
Sanitation.
Works amenities.

viii. Any other functions—
(It is desirable to make the list of functions as comprehensive as possible for the purpose of comparison.)

(*b*) Are the powers of the Committee specified in the constitution? or determined by the chairman? or unspecified?

(*c*) Have there been any changes in the functions of the Committee since it was established? If so, what were the reasons?

4. *Procedure.*

(*a*) i. How, and by whom, are matters brought before the Committee?

ii. Does the Committee meet at stated periods, or only when specially summoned? How is a meeting summoned?

iii. If the firm is represented on the Committee, do the worker members meet separately before the joint meeting?

iv. If the times of meeting are irregular, please state the

number of meetings held during each of the last three months.

v. Do the meetings take place in employers' or in workers' time?

vi. How long does a meeting usually last?

vii. Is there any payment for attendance? If so, by whom?

(*b*) In case of failure on the part of the Committee to settle any question, to what authority is the question taken? Give an example of the stages through which a complaint could go.

5. *Relations with Trade Unions.*

(*a*) What proportion of the employees of the firm are members of Unions? Of what Unions are they members?

(*b*) Does the firm recognize all, or any, of these Unions?

(*c*) Have the Union officials assisted or obstructed the establishment and working of the Committee?

(*d*) Is any provision made for the safeguarding of small sectional interests (such as the Scientific Instrument Makers in an engineering works)?

6. *General.*

(*a*) The attitude of the management to Committees. On what occasions, if any, has the management refused to carry out a Committee's decisions?

(*b*) Have the men in the works accepted or rejected a Committee's decisions?

(*c*) The possibility and difficulties of dove-tailing Works Committees into the existing Trade Union organizations.

(*d*) Effectiveness and results of the establishment of Works Committees on the relations between employers and employed.

(*e*) The desirability of separate Committees to deal with different types of functions (*e.g.*, wages questions, welfare, &c.).

(*f*) Possible directions in which the functions of Committees could be extended.

(*g*) The relation of Works Committees to unofficial Shop Stewards.

(*N.B.*—It is the suggestions and feelings of employers, managers, trade union officials and workpeople it is particularly important to collect. The investigator's own criticisms and suggestions should be embodied in a separate report.)

APPENDIX II

Reports on Individual Works Committees, &c.[1]

(A) to (P)—Engineering, Shipbuilding, and Iron and Steel Industries.
(Q) to (W)—Boot and Shoe, Woolen, and other industries.

PAGE

(A) Messrs. Hans Renold, Ltd., Manchester ... ...
(B) Messrs. Rolls-Royce, Ltd., Derby ... ...
(C) Messrs. The Phoenix Dynamo Co., Ltd., Bradford—Wages Committees ... ...
(D) Messrs. Barr & Stroud, Ltd., Glasgow ... ...
(E) A Large Engineering Establishment—Dilution Committee ... ...
(F) An Establishment making Motor Cars and Aeroplanes
(G) Messrs. The Horstmann Gear Co., Ltd., Bath ... ...
(H) Messrs. H. O. Strong & Sons, Ltd., Bristol ... ...
(I) Messrs. Guest, Keen & Nettlefold, Ltd., Birmingham
(J) A Firm of Electrical Engineers ... ...
(K) Messrs. Hotchkiss et Cie, Coventry ... ...
(L) A Large Engineering Establishment ... ...
(M) A Munitions Factory ... ...
(N) Messrs. Whitehead Torpedo Works (Weymouth), Ltd.—Memorandum on Proposals ... ...
(O) A Shipbuilding Yard ... ...
(P) Parkgate Works Joint Trades Committee ... ...
(Q) A Firm of Boot Manufacturers ... ...
(R) Messrs. Reuben Gaunt & Sons, Ltd., Farsley ... ...
(S) Messrs. Fox Brothers & Co., Ltd., Wellington ...
(T) Messrs. Rowntree & Co., Ltd., York ... ...
(U) A Printing Office ... ...
(V) A Soap Works—Welfare Committee ... ...
(W) A Coal Miner's Statement on Output Committees ...

[1] The statements given below are in some cases supplied by the firms, but in most cases have been compiled by the investigator on statements made to him by the management and representatives of the workers on the Committee. Wherever possible, pains have been taken to ensure that the statement accords with the views of all parties concerned with the Committee.

(A) Messrs. Hans Renold, Ltd., Burnage Works, Didsbury, Manchester

Industry: Engineering. Number of Employees, 2,600. Number of Departments and (in round numbers) average of workers in each—17 departments, 160 in each. Males 1,000. Women 1,600.

At this establishment there are three different committees:—

(1) The first of these is the "Council" of the Social Union of the Works, which includes about two-thirds of the whole body of the workers. The Social Union is managed entirely by its members, and has been in existence for the last eight years; it is concerned with games, recreations, and educational activities, such as the formation of study-circles; it is said to have done a valuable work in helping to create a feeling of community and to have prepared the ground for later developments.

(2) The second is a Welfare Committee, concerned with shop amenities, which came into existence about a year ago. This committee is a joint committee. On the workers' side there are 17 representatives for as many constituencies; each constituency is, roughly speaking, comprised of workers employed on the same sort of operation and in the same building, but men and women vote and are represented separately; the election is by ballot, and every worker (Unionist or non-Unionist) is entitled to vote. Trade Unionism is officially represented by a delegate from the Shop Stewards' Committee. The Secretary of the Social Union is also a member of the Welfare Committee. On the side of the management the Committee is composed of one of the partners in the business, the employment manager, the women's employment manager, and such of the assistant works managers as wish to attend; generally the number is about 6. The chair is taken by the chief representative of the management, and he provides the secretary; the meetings are monthly. The functions of the Welfare Committee are to advise the management on matters which it wishes to hear discussed, to bring to the notice of the management questions (other than those of wages and Trade Union matters) which the workers wish to have discussed, and to consider suggestions for improvements. The questions that have actually been discussed include the treatment of eye-cases, the provision of first-aid and the prevention of accidents, the provision of overalls, and the arrangement of the seats and the maintenance of order and comfort in the men's and women's dining-rooms. The members attend well; they meet in overtime hours at present, and are paid overtime wages for the time they spend at meetings, but it is hoped that in normal times

the meetings will be held outside working hours and that attendance will be regarded as a form of voluntary service. It is possible that in the future a separate preliminary meeting may be arranged for the women representatives from time to time; it is possible, too, that in the future the management will absent themselves at every alternate meeting, in order that the representatives of the workers may discuss matters by themselves.

(3) The third committee is that of the Shop Stewards. This was formed by a spontaneous movement among the Trade Unionists in the establishment, at the time when the Welfare Committee was under consideration. Room has been found in practice for both, and the firm has from the first recognized the Shop Stewards' Committee. The Shop Stewards are elected by the Trade Unionists in the establishment; they are seven in number, but the number is likely to grow. At the invitation of the firm, they send one of their members to sit on the Welfare Committee, but it is worth noticing that otherwise the composition of the two bodies is distinct, and the same person has not been elected a member of both. The Shop Stewards elect their own chairman and secretary. While the Welfare Committee is concerned with shop amenities, the Shop Stewards' Committee deals with questions of wages and Trade Union matters in general. As soon as it was formed, the Shop Stewards' Committee asked and obtained the approval of the District Committee of the particular Union to which its members almost entirely belong. The Secretary of the Committee sends the names of its members to the District Committee, which issues a card to each entitling him to act as an official Shop Steward. The Committee meets (in the firm's time) at the beginning of each month, and after discussion sends to the management a list of the questions it wishes to have discussed; the management adds questions which it wishes to bring forward, and the head of the management and various managers then meet the Committee for discussion; but a meeting is held between the management and the Committee monthly, whether there is definite business or no. Sometimes foremen are present when a subject vitally concerning them is under discussion. From the point of view of the men the advantage of the committee is that they can go direct to the management, while before they could only go direct to the foremen. From the point of view of the management the Committee has, on the whole, conduced to smoother working of the establishment; and questions of the method of paying wages, of increased bonus, and of alleged victimization of workers by foremen have been threshed out freely between the two sides. In connection with the position

of the foremen, it is thought that it may be necessary to devise some scheme, such as regular meetings between the foremen and the management on any questions raised in the Committee which affect their position, in order to avoid any clashing between the foremen and the Committee. It is also thought that it may be necessary to draw up rules to determine the right of the Secretary of the Committee to enter departments of the works to consult with individual workmen about complaints. (These rules have since been drawn up and are contained in the following Note.)

Both the Welfare Committee and the Shop Stewards' Committee are used in this establishment as means for the announcement and explanation of intended action by the management. Announcements have been made, for instance, of new methods of grouping the work, and again of the appointments of foremen and the general grounds on which they are based.

Note

REGULATIONS GOVERNING ACTIVITIES OF SHOP STEWARDS

Meetings.

1. The Directors will give the Shop Stewards' Committee facilities for holding committee meetings, including the use of a room, twice per month, one such meeting to take place, unless otherwise arranged, on the first Wednesday of each month at 6.15 p.m.

2. The Management will meet the Committee, in general, once per month, such meeting to take place on the second Wednesday at 6.15 p.m. unless otherwise arranged.

3. The Directors will allow the Shop Stewards' Committee the use of one of the Works Dining Rooms twice a year, for general works meetings.

4. If extra meetings are desired, either with the Management, for Committee meetings, or for general shop meetings, application should be made to the Employment Manager.

5. In the case of the regular meetings of the Committee or the monthly joint meetings with the Management, if overtime is being worked, and a steward would have been working during a meeting, time spent at such a meeting will be paid for as though spent at work.

Procedure.

6. The Superintendent is the executive authority in each department, and his instructions must be obeyed, even though a Shop Steward considers an order unreasonable. In such a case the con-

stitutional procedure is to obey the order, and to lay a complaint or call for investigation afterwards.

7. Stewards have the right to make any complaint or suggestion to a Superintendent with regard to the rules he makes, his treatment of any individual or individuals, his application of general shop rules or policy, &c.

8. In no case will a Superintendent refuse to listen to and investigate any *bona fide* case brought forward by a Shop Steward, and to give him an answer.

9. If a steward is not satisfied with a Superintendent's handling of a question, he may refer the matter to the Shop Stewards' Committee for discussion, if the Committee so desires, with the Management at the next monthly joint meeting.

10. It is considered highly desirable that the Stewards should get as many questions as possible settled direct with their own Superintendents. This does not mean that matters under discussion can be allowed to drag out unnecessarily, and when feeling is running high the Shop Stewards should take up a question immediately with the Employment Manager or the Works Director, but always with the cognizance of the Superintendent.

11. When a complaint is made by a Steward to a Superintendent on behalf of another individual, it must be understood that the Superintendent has every right to discuss the matter direct with the individual concerned. This is not intended as a means of putting off the Steward, but is a statement of the Superintendent's right and duty to maintain the most intimate and friendly relations possible with each and all of his men. In such a case no decision will be come to between the Superintendent and the individual except jointly with the Steward.

Similarly, every man has a right to approach his Superintendent direct, without asking the help of the Steward of his department, if he so desires.

General Arrangements and Discipline.

12. The Management desires that Shop Stewards shall have such reasonable facilities as are necessary for carrying out their functions, and expects that in return these will be exercised in such a way as to involve a minimum of interference with their work.

13. Meetings, formal or informal, cannot be held in working hours, except by special permission, and men should not bring grievances or questions to their Shop Stewards during working hours, but should wait for the next break.

14. Shop Stewards may visit the Secretary of the Shop Stewards'

Committee during working hours on notifying their Superintendent. Similarly, the Secretary may visit any of the Stewards on notifying his Superintendent. Each Steward is expected to make arrangements mutually satisfactory to his Superintendent and himself for the notification of visits when the Superintendent is temporarily absent from the department. The time spent in visiting should be restricted as much as possible, and must not be made an excuse for inefficiency of work.

This arrangement is subject to reconsideration, should the number of Stewards in the works exceed 10.

15. When the decisions are taken at a joint meeting with the Management, Shop Stewards shall not announce same to their men until the dinner time of the following day, so as to give time for the Superintendents to be made cognizant of what transpired.

These regulations are subject to revision at any time by arrangement between the Management and the Shop Stewards' Committee.

HANS RENOLD, LTD.,
Manchester.

20th October, 1917.

(B) MESSRS. ROLLS-ROYCE, LTD., DERBY

Works: Engineering; Motor-cars. Employees: 6,000. Departments: 35 to 40 have shop stewards of their own, but from the point of view of the management the departments may be enumerated as about 80, with about 300 men in the largest (the test department) down to about 20 in the smallest. General laborers (including women) about 500. Women: About 1,500 (of whom about 100 are general laborers).

1. This establishment is very strongly unionist, and before the war 98 per cent. of the employees were unionist—a figure which has sunk a little during the War owing to dilution. The relations between the management and the men are described by both sides as "of the best." The works would appear to be regarded by the labor opinion of the district generally with distinct favor.

The Committee at the works is one of Shop Stewards (just as the Committees at two other establishments here described—those of Messrs. Hans Renold and Messrs. Barr and Stroud—are also Committees of Shop Stewards). The interesting feature of this Committee of Shop Stewards is that it goes back to a period previous to the war. It originated as follows:—Originally individual workmen laid their grievances before the management, bringing (according to the general habit) a companion to help them to state

their case. As time went on, men who were recognized as good companions to bring were sorted out, and they became semi-official advocates. About 1912 or 1913 this informal system developed into a recognized Committee of Shop Stewards. This Committee is what exists to-day. There is little difference in the present system from what was usual before the war.

2. Each department elects its own Shop Steward, the total number of whom is nearly 40. There are about nine different unions with Shop Stewards; but more than half of the Shop Stewards belong to the A.S.E. The fact that there is a majority of A.S.E. Stewards has apparently produced no difficulty. The various Shop Stewards form a Committee, with a Chairman who bears the name of convenor. On questions affecting a particular department or departments, the convenor interviews the management, by appointment, along with the Shop Steward or Shop Stewards concerned; while on questions affecting all the works, he interviews the management, by appointment, along with all the rest of the Shop Stewards. There are no fixed or regular meetings with the management, but there are frequent meetings none the less.[1] The motto of the management is, "the door of the management is always open," and this motto is acted upon. There are no women among the Shop Stewards (though it should be noticed that the Shop Stewards bring a woman representative with them to see the management when they are discussing a question that affects women); but the women employees have direct access of their own to the management. They can come one by one, or in twos and threes (to raise questions of ventilation and heating, for instance); and they always receive a hearing.

3. The functions of the Committee are large and undefined. They bring forward anything which they think a fit matter to be brought before the management. A question may sometimes arise with the management whether such-and-such a question really is a fit question; there is then a discussion, and it is generally settled by the application of common sense whether the question shall or shall not be entertained, but there seems to be no rule regulating the matter. The management discusses with the Committee, or those of it concerned, changes of process; while the men, according to the view of the management, "have helped the management in many cases on knotty problems of output, and have made suggestions which

[1] There was a system of fixed and regular meetings at one time; but this fell through, partly because there was not always business, but largely because the convenor of the shop stewards and the works manager were both busy men, and were often unable to attend.

were acted upon," besides bringing up complaints of the men and cases of hardship. Among specific matters handled may be mentioned the following:—

(*a*) *The base times for premium bonus work.*—This system prevails throughout the works; and if the base time cannot be settled between the foreman of the department and the workmen, the matter is brought by the Convenor and Shop Steward of the department before the management.

(*b*) *Dilution.*—The Shop Stewards have protested against the principle but they have made an amicable arrangement with the management in every case, it being understood that a record of changes was duly kept. The wages of dilutees have also been discussed in conferences of the management and Committee.

Much is settled with the foremen in the department concerned, and never comes before the management. Relations with the foremen have not been particularly difficult. Some of the foremen resented the action of the Committee of Shop Stewards until it was pointed out to them that the Shop Stewards "did not wish to press too far." There have only been one or two isolated instances of conflict; and in one case (which appeared to be the main one) the foreman left the works. The Convenor of Shop Stewards has the right to go anywhere in the establishment without notifying the foremen.

4. The procedure of the system has already been incidentally described in large measure. When any point arises in a department, it is reported to the Convenor (who is elected by the Shop Stewards from their number), and if it cannot be settled in the department, it is brought before the management in the way described above. Complaints or requests from the management go to the Convenor, and are discussed by the Shop Stewards when he brings them before a meeting. Meetings with the management are in the employer's time, generally in the afternoon, and may last from half-an-hour to 2½ hours. The management has always carried out the decisions arrived at in a meeting with the Committee; and the general body of men in the works have accepted these decisions.

5. The relations of the Committee with local trade unionism seem to present no difficulties. The various societies represented in the works—A.S.E., Patternmakers, Coppersmiths and the rest—have worked together; and the Shop Steward system is part and parcel of the official Trade Union organization of the district. The District Committee of the A.S.E. does not issue cards to the Shop Stewards, as it does in other areas. Extremists are sometimes elected as Shop Stewards, but they generally mix with the rest; they are a live element, and responsibility steadies them. A man

who proves a poor Shop Steward does not carry weight, and will generally be dropped by his constituents. There is thus no need for the issue of a card by the District Committee concerned or for the threat of withdrawal of such a card. The relations of the Shop Stewards at the establishment with the Trade Union authorities are generally good, and every question unsettled in the establishment goes to the local District Committee or Joint Committee of Allied Engineering Trades.

It may be added that there is a Mess-room Committee at the works, some four or five years old, appointed by the vote of all who use the mess-room; but it has no particular importance.

(C) The Phœnix Dynamo Co., Ltd., Thornbury, Bradford

The Phœnix Dynamo Company is a firm employing about 4,000 employees. In addition to its ordinary product, the firm is now producing miscellaneous munitions supplies. The following statement, which the firm has sent to a number of employers, has been supplied to the Ministry for publication:—

A Short Description of the Phœnix System for Fixing Piece Work Prices by Continuous Arbitration

Preamble.

There is surely no question so vital to engineering and kindred industries as that of the fixing of piece work prices. It would probably be accurate to say that in the period immediately preceding the war most of the prejudices, both on the employer's part and that of the men, to some system of payment by results were in a fair way to be removed. The increasing competition in business, with the resultant necessity for selling on fine margins, together with the fact that experience was proving that because a man was working piece work the quality of his work was not necessarily suffering, had already converted most of the employers.

The chief outstanding difficulties were those of organization, and much of the remaining prejudice on the part of labor towards schemes of payment by result was the result of unscientific and amateurish systems of estimation of the time necessary to carry out any particular job by the employer. Consequently one got side by side in the same shop astounding inequalities of earnings which caused great discontent. It was the double-time man who caused the time-and-a-quarter man to throw down tools, and the employ-

ers, prevented by agreements from reducing prices, are obviously unable to increase all the prices to double time in order to remove the discontent. The employer, therefore, urged often more by despair than a desire to break his agreements about price reduction, adopted subterfuges to reduce the times which were too high. This often took the form of splitting the job into sections and altering methods of production in a minor way in order to reduce the time allowed, and thus the confidence of the workers was lost by this evasion of the real spirit of the agreement.

Even to-day the predicament still exists, and the problem of the price, which is unreasonably high, and the discontent caused amongst the remainder of the men, is extraordinarily difficult for the employer who wishes to observe not only the letter, but the spirit of his undertakings not to reduce prices.

On the other hand, labor, with its greater facilities for discussion between individuals and the absence of any motive to prevent complete interchange of information, such as unfortunately exists amongst employers, has been enabled to bring great pressure to bear upon the employer for the rectification of a price which can be proved to be unremunerative. The same cohesion amongst labor, coupled with the fear amongst employers that workmen are only accepting payment by results under sufferance, and might some day refuse to continue such a system, has made the employer very fearful of pushing forward with any system to deal with the straight problem of the reduction of an excessive time.

Since the war, and without, possibly, a full appreciation of the precedents which are being created, employers, weary of the responsibility for so much price fixing and the dangers of labor unrest in their works, have compromised the most difficult jobs either by a group bonus on the whole of the wages paid, or by saying to individuals or group of individuals, "We will pay you time and so-and-so whilst you are on with this work." Some aeroplane factories working on a group bonus on total output are paying their men as much as time and three-quarters, whilst their output per man is well below that of other aeroplane factories on ordinary day rates.

It is fatally easy to act in this amateurish way whilst prices are high and excess profits can be used, but any experienced organizer or worker, either employer or employed, knows that this condition cannot last after the war. It is this prodigal use of "time and a something," without any definite guarantee that that amount of work had been carried out, which has destroyed the whole of the principle of the minimum wage. Competition on day rates being

eliminated, a competition between employers as to who can give the most foolish piece-work price or the highest bonus per hour on some theoretically imperfect group bonus scheme has taken its place. The best type of labor realizes that the badly organized piece work or bonus system is, in the end, as inimical to his interests as it is to those of the employer. So much for the money side of the question.

There is, however, another point which should be given its true value. One of the greatest objections to present piece-work systems is that the employer works out the price in secret, writes down the time on a card, and this settles the price. Now, the men feel that payment by results is a bargain and that it is not within the province of the employer or the employed to state arbitrarily what the price is to be. The fact that most employers are quite prepared to explain politely and sensibly to any workman how the price is made up does not meet the theoretical objection to the system, and the end of what should be a perfectly logical and simple business transaction is often an altercation with a "take it or leave it" as the employer's last word.

Another position which is often created as a result of a failure to agree about price is a steady opposition more or less furtive to the whole system. Assuming, however, that the system of piece-work fixing is so accurate that every workman secures a fair return for his labor, the theoretical objection of organized Trades Unionism to any arbitrary settlement of the price by the employer still remains.

A TABULATION OF THE MAIN DIFFICULTIES

(1) Unscientific price fixing.

(2) The absence of proper machinery for appeal which is quick in action and not cumbersome in operation for the rectification of—

(*a*) a price which is too low;

(*b*) a price which is too high.

Of these (*b*) is essential if the employer is to be able to preserve towards the men absolute straightforward dealing. The employer must have means which will enable him, without even a suspicion of stealth, to reduce a price without necessarily changing the method of manufacture.

The following is a system which has been working for some time, the terms of which were drawn up by the aid and coöperation of the principal Union of metal workers and the firm concerned. It is capable of considerable extension and improvement, and is a sincere attempt to solve an exceedingly complicated but absolutely vital problem.

Financial Basis of Prices.

The men had pressed for a guaranteed time and a half. To this we could not agree. Eventually it was agreed that times should be fixed so that an average man could earn time and a quarter, and a really good man should have no difficulty in making time and a half. The following is the agreement reached between the principal Union of metal workers and ourselves concerning the scheme:—

On getting out a new job we would calculate the feeds and speeds which were suitable for the tool on which the job was to be performed, and then put forward the time to the man who had to do the job, saying: "This is the time we offer; you are not bound to accept it and can appeal if you like. In this event you go to the Time Study Office, where the man who has dealt with the job will go through the detail of his calculations, and if he has made a slip will at once put it right."

Our time fixing is not infallible, and the men can help us by pointing out errors. If, however, we are unconvinced that the price is unreasonable, and the man is equally unconvinced that it is reasonable, he can then say, "I want this job to go to Committee." The time offered by us would then be put on the card as a temporary time, and the decision of the Committee would be added on or taken off the time agreed by the Committee when their decision has been given. In any case, however, the man has no object in hanging back, because no evidence as to the time taken on the job between the price being fixed and the Committee being held is available for the Committee.

The Committee consists of 3 of the firm's representatives and 3 workmen's representatives consisting of the man concerned and 2 workmen selected by him who are operating the same type of machine or whose work is closely allied to the work in question. In a dispute of a Milling Machine price, the man and 2 other millers would attend.

The Committee is to be held within 2 days of the complaint. In the event of the Committee failing to agree it is then up to the firm to demonstrate in their own works that the time is fair and that time and a quarter can be made on it. The question of outside demonstrators being employed was raised, and it was agreed that only in the case of new tools bought from the makers on guaranteed times should outside experts be brought in. The firm have the option to decide whether, in the event of the Committee failing to agree, the demonstration of the time shall be done in the shop itself or alternatively in a demonstration department. It is further

agreed that, in addition to the Committee being a means by which workmen can secure awards as to prices which are too low, the firm have the same privilege with regard to prices which are too high. In the event, however, of the firm petitioning for the reduction of a price and bringing the matter to a Committee, it is understood that any reduction which is made in the time shall be put on to another job on which the workers cannot do as well. This is accepted without demur, as it shows a desire, at any rate, to try to equalize the position as between man and man and also from the firm's point of view.

The above are the terms of the understanding arrived at and the following observations may be interesting.

The whole point about this system is that the rate fixers shall get into their heads the fact that they are not telling the men how much they, as representatives of the Almighty, agree to allow for each job, but are in the position of buyers who, having worked out what they think is a fair price for a commodity, make the man an offer for it on those terms.

A great deal can be done in making a Time Study Department a really nice office and insisting that the man is treated really courteously. One of the great difficulties is to get personalities definitely removed from the transaction. A discussion that starts about the price of a job often finishes by two men staking their reputation as craftsmen and their experience as workmen that they are absolutely right.

The rate fixer must be made to feel that it is not a disgraceful thing to alter his price. The friendly spirit is extremely important, and unduly conceited rate fixers with the manner of a general manager have not proved invariably successful. The surprising part of the scheme over the period in which it has now been operating is the very small number of Committees which are held. It would appear that a very stupid workman who goes to the Time Study Office to argue with the rate-fixer, or a very thick-headed rate-fixer, are either of them rather afraid of what a Committee would decide about their particular case, and so whichever party feels himself to be technically weakest in the argument appears to give way. At any rate, the number of Committees is incredibly small. It may be argued that this is because the prices are fixed on so generous a basis.

The average in the whole of the shops concerned ranges from 27½ per cent. in the worst case to 52¼ per cent. in the highest average case.

The provision by which an employer is allowed to reduce a price

(provided that he adds the time so reduced on to some job which is a lean one) has the advantage that after a time you get a certain number of hours on the men's side of the ledger, and this is a sort of accumulation of time in the bank. By this means cases of special hardship can be dealt with by adding some of the time on to the lean jobs.

The composition of the Committee from the employers' point of view should vary from time to time, and the superintendents of the shop will be well advised to keep their eye on the cases coming up for Committee. It sometimes happens that a very good workman indeed has become pig-headed about his particular job, and whilst the rate fixer may be exactly right, it may be advisable to humor the man in question. The very fact of the man's all-round excellence and his status of a workman makes it advisable to keep him friendly to the scheme. In cases of this sort, where a certain amount of feeling is present, it is advisable for some fairly high official to sit as one of the employer's representatives and tactfully (whilst saving the rate-fixer's face as much as possible) leave the Committee to humor the man somewhat. These cases have proved to be very rare, but the employer has so much to gain from the system generally that he must be prepared to stretch a point, without saying he is doing so, to meet very difficult cases which come up to Committee. One case in point:—

An extraordinary skilled aeroplane metal worker brought a case up to Committee, where the rate-fixer was an equally skilled metal worker and a member of the same Union. The matter had obviously become more a question of which of the two men was a fool than the question of the price, and it is in cases of this sort that a tactful official can be so valuable on the Committee.

If any employer will put himself in the position of a workman who, on being offered a price, thinks it unfair, and who has either to take it or else put himself in opposition to his foreman and others, he will appreciate the value of some such scheme as the above to the workmen. Under the present scheme a man so placed is either satisfied by the Time Study Office or not, and if he is still dissatisfied he can ask for a Committee and go back working on the job without quarreling either with his foreman or anybody else.

(D) Messrs. Barr and Stroud, Limited, Anniesland, Glasgow

Industry: Engineering. Number of Employees, 2,350, of whom 275 are women.

This firm has, and has long had, an admirable system for the

education of its apprentices, and it is noteworthy that several of them, during their apprenticeship, have taken the Bachelor of Science Degree in the University of Glasgow.

The firm has also, like the shipbuilding firm of whose organization an account is given under (O) below, a system of awards for suggestions made by their workmen, which has been at work for many years.

There are two workers' Committees in the establishment:—

(1) The first, which is called the Shop Committee, might also be designated a Welfare Committee, and has been in existence since about 1900.

Its constitution and rules are set forth in the published Book of Rules of the firm. Briefly, it may be said to deal with shop amenities. It controls the Sick Benefit Society, the fund for distress, and all other funds of a like nature. It controls the management of the canteen and the rifle club and handles all social arrangements for entertainments, picnics, and the like. The Chairman is one of the Directors. He can veto the discussion of any matter; but he has never once had to exercise this veto. No Trade Union questions—no questions of wages or application of Trade Union Rules—come before this Committee. The Committee meets regularly once a month and oftener if necessary. There are various sub-committees appointed by the Shop Committee to deal with the various activities.

(2) In March, 1916, when dilution was started, a second Committee was formed, called the Industrial Committee. As it is professedly in existence for the war period only, nothing is said about this Committee in the Book of Rules of the firm, but the following description may illustrate its chief features.

The formation of the Industrial Committee was helped by the good relations and the community of feeling engendered by the working of the existing Shop Committee. The Industrial Committee is based essentially on Trade Unionism and the Shop Steward System. The twelve representatives of the men are elected entirely by the Shop Stewards, some forty in number, of the different Unions. There is thus no system of election by all the workers and the Committee is not representative of all the workers, but on the other hand there is a definite nexus established with Trade Union sentiment and organization. Two Directors of the firm and the head foreman sit with the twelve representatives of the men. When there is business to transact, meetings of the Industrial Committee are held on Tuesdays at 11 a.m. and the men's representatives are paid as usual during the time occupied at the meetings. The members of

the Committee hold office for one year. There are two Chairmen, one from the men's representatives and one from the firm's, and they preside at alternate meetings. The only other officer is a Secretary elected by the Committee.

The following list contains some of the questions treated by the Industrial Committee during the past eighteen months:—

(1) The question of the Convenor of Shop Stewards going into other departments for discussion of grievances. This was discussed and the result was the formulation of regulations (*see* Note (i); similar rules are also contained in Note (ii) in respect of the "Shop" Committee).
(2) Wages of women and girl employees.
(3) The record of changes in practice.
(4) Questions arising from the premium bonus system.
(5) Appeals against dismissal.[1]
(6) The question of men forgetting to clock on and of whether they should receive wages for the period for which they had forgotten to clock on.
(7) The question of working overtime on Saturdays. The Committee agreed to refer this to a general *plebiscite*.
(8) The question of wages of apprentices.
(9) The question of rules for night-shift work; *e.g.*, whether men could leave a little before the closing time to catch a train.

It is obvious that the functions of the Industrial Committee are important; it is one of the most advanced Works Committees in existence. Questions of wages come within its scope (under 2, 4, 6 and 8 above); and a question recently under discussion was a proposal that there should be a guaranteed premium bonus.

A question which has recently arisen is that of the relation of the Industrial Committee to the local Trade Union organization.

This Industrial Committee is deserving of attention; first in its constitution—based as it is on the Shop Steward system—and secondly, in its influence on the works, which has been large and far-reaching.

It is interesting to notice that the system of Messrs. Barr and Stroud, Limited, is very like that of Messrs. Hans Renold, Ltd. Both have two Committees; both assign to one Committee the consideration of shop amenities, and to the other questions of work

[1] Only one case has arisen. Here the firm refused to go back on its decision, but was ready to explain its action. This was done. The men's representatives then asked if the man in question might receive a clear character: this was given.

and wages; both base the second Committee on the Shop Steward system.

An immediate and important result of having such an Industrial Committee is that grievances that might otherwise generate bad feeling are brought at once to the attention of the Directors. The trivial surroundings of grievances are brushed off, and the real principles underlying the questions under discussion are arrived at.

So far, the Industrial Committee and the Shop Stewards have quite naturally declined to deal themselves with matters of discipline; but in cases where they have declined, they have actively upheld, or at all events not hindered the regulations imposed by the firm.

Note (i)

Regulations for Leave Granted to Shop Stewards to Deal with Complaints

(1) If any employee has a relevant complaint to make about his work, sufficiently important to bring before a Shop Steward, he must communicate only with the Shop Steward of his own Department.

(2) If the Department Shop Steward thinks the complaint requires attention, he will send for, or fetch, the Convenor of Shop Stewards, who, when possible, will tell the foreman of the Department to which he is called that he has been summoned on Shop Steward business.

(3) If the Convenor of Shop Stewards, after consultation with the Department Shop Steward and the complainer, thinks the complaint requires further attention, he will call a meeting of Shop Stewards to consider the matter.

(4) If the meeting of Shop Stewards thinks the complaint requires still further consideration, the Convenor will bring it before a meeting of the Industrial Committee or convene an emergency meeting of the Industrial Committee in order to lay the complaint before the Firm.

(5) The foremen are instructed by the Firm that they are to grant the facilities referred to above; but if they think that these facilities are being taken advantage of, they are instructed to inform the Firm so that the representatives of the Firm may draw the attention of the Industrial Committee to it.

Barr and Stroud, Limited,
(Signed) Harold D. Jackson,
Director.

NOTE (ii)

NOTICE

TO MEMBERS OF THE STAFF AND TO FOREMEN AND MEMBERS OF THE SHOP COMMITTEE

In connection with their duties as Members of the Shop Committee, it is sometimes necessary for the Members of the Shop Committee to go into different departments of the shop to enquire into matters connected with the well-being of the employees.

In such circumstances the Members of the Shop Committee should always inform the Chief of the Department or the Foreman into whose Department they go, that they are on Shop Committee duty, and in such circumstances the Foreman will not unreasonably withhold permission.

The Firm rely that Members of the Shop Committee will be careful never to abuse this privilege.

Each Member of the Shop Committee is provided with a ticket of identification.

BARR AND STROUD, LIMITED,
(Signed) HAROLD D. JACKSON,
Director.

(E)—A LARGE ENGINEERING ESTABLISHMENT—DILUTION COMMITTEE

Seven Departments, employing over 10,000 workpeople.

1. The Committee at this establishment should properly be described as a Dilution Committee. It came into existence in February, 1916, and though matters other than dilution are occasionally brought before it, its primary function is the regulation of dilution.

2. The election of the Dilution Committee consists of two stages:—

(1) In the first place, Dilution Delegates were elected on the basis of two delegates for each shop by all workers, unionist or non-unionist (including women [1]), in every department or shop.

(2) In the second place, the delegates select five representatives to represent them on a Joint Dilution Committee,

[1] The women in one department did not vote, but that is due to difficulties of time and place. If their hours had been different and the department had not been at a distance from the rest they would have voted.

on which also sit an equal number of the management. At first there was an agreed external Chairman but, subsequently, the senior manager present acted in this capacity. There was found to be the objection that if an external Chairman is appointed whose decisions are accepted, arbitration within the works is set up for dealing with matters which should be entirely within the jurisdiction of the management. A member of the management presides and another member of the management is Official Secretary, and is responsible for the official minutes and the notification of all dilution questions. He is also responsible for all communication with the men's Secretary. On the men's side there is a Chairman and an additional representative who acts as the men's Secretary, but has no vote.

3. There are no regular meetings of the Joint Dilution Committee; it meets when either side asks for a meeting. (Some questions raised by the men's secretary may be settled at once by executive action and without a meeting, if the case is a clear one, and the action will be simply reported at the next meeting.) The minutes are kept by the Official Secretary appointed by the management. The men's Secretary takes informal notes. The minutes are generally circulated a week before a meeting to enable the men to consider them prior to the meeting and raise at the meeting any points arising therefrom or to which they do not agree. Sometimes there are meetings once a week, sometimes once a month or even at longer intervals.

4. The functions of the Dilution Delegates are to supervise the introduction of dilution and the wages paid to dilute. The delegates may complain, for instance, about a foreman introducing dilution without proper notice, or as to the rates paid to a dilutee or to the manning of a lathe by a dilutee. If any question arises about the rates paid to a dilutee, they refer to the Dilution Certificate sent to them, on which this rate is stated. In no instance are they allowed to ascertain the rates paid to men or women other than dilutees. On the whole no insuperable difficulty has arisen between the Dilution Delegates and the foremen. This is chiefly due to the tact displayed by the management and the men's Chairman, but many times there have been grave difficulties owing to the action of certain of the younger delegates and foremen.

The Joint Dilution Committee deals with all important matters arising out of dilution which come up to it (as a rule through the men's Secretary) from the delegates.

5. To what has been said above, it should be added that the whole procedure of the Committee is necessarily elastic, and dependent on personal tact and contact rather than on a formal constitution. There is, for instance, no fixed tenure of office for the men's representatives; if their action or constitution were challenged, as it was in a case when the members of the United Machine Workers' Association claimed representation, they could, and did, resign, and a new election was held. The same Committee as before was elected. The men's representatives on the Joint Committee, if they consider any proposal involves an important question of principle, ask to have a matter referred back to the Dilution Delegates for instructions, or, if the question is comparatively unimportant, may agree to settle it off-hand.

The Dilution Committee here described is obviously of a special character, and under the peculiar conditions the Joint Dilution Committee has been fairly successful. It works easily and informally. Confined in form to questions of dilution, it finds it easy to discuss other questions and to deal with works conditions in general on occasion; for instance, in a case where the firm had submitted a proposal for a bonus on output to a large number of setters-up, the men asked their Dilution Committee representatives to take the question up and discuss the matter with the management.

The men's representatives on the Dilution Committee have prevented many threatened strikes developing in various parts of the works, either by their direct intervention or by calling the attention of the management to trouble that was brewing.

In the firm's opinion, the value of the work to be done by such a Committee depends on the men's representatives being educated and fair-minded men.

It must be remembered that this Committee is essentially a Dilution Committee and not a Works Committee. The representatives may, *de facto*, be Shop Stewards, but they are chosen by all the employees, including skilled, semi-skilled and unskilled workpeople.

The Dilution Committee does not represent the steel smelters, steel, iron and brass founders, smiths and strikers, and one or two other trades. If it were to become a Shop Committee it would probably have to be increased and represent all trades and the foremen. In the firm's opinion the constitution of such a Committee, so as to secure the best results, would require very careful consideration.

(F) An Establishment Making Motor-cars and Aeroplanes

The firm make motor-cars, aeroplanes and aeroplane engines. The present number of employees is about 3,500, of whom some 600

are women and some 150 general laborers. The others are skilled or semi-skilled.

The Committee dates back to 1908. It arose from a dispute which resulted in a strike. The directors had had no idea of the trouble, and in order that in the future such a position should be made impossible the Works Committee was formed. District Trade Union officials took an active part in the formation of the Committee.

The Committee consists of 22 members, one from each department. Each member must be a Trade Unionist, but voting is open to all men, whether or not Trade Unionists. The women do not have votes. There are members of 26 Trade Unions in the works. Only 10 of these have members on the Committee. The 10 are the A.S.E., the Toolmakers, the United Kingdom Society of Smiths, the United Kingdom Society of Coachmakers, the Amalgamated Society of Carpenters and Joiners, the United Machine Workers, the Wood Cutting Machinists, the Patternmakers, the Steam Engine Makers, and the Sheet Metal Workers.[1] The members are elected annually, each department electing its representatives. The Committee choose their own Chairman and Secretary. The same people tend to be reëlected from term to term; the present Chairman has been in that position from the first, and the Secretary in his for 4½ years.

The only formal rules are contained in a poster, a copy of which is posted up in each department. This gives a short statement of why the Committee was formed and outlines the procedure to be adopted with complaints. This procedure consists of three courts of appeal—the Works Manager, the Managing Director, and the Board of Directors. Thus, a man not satisfied with the response of a foreman goes to his departmental representative on the Committee (or direct to the Secretary or Chairman, who have freedom of movement from department to department). The Chairman and Secretary of the Committee and the representative of the complainant's department then approach the Works Manager, and thereafter, if necessary, first the Managing Director, and then the Board of Directors. In fact, nothing needs to go beyond the Works Manager; nothing has gone so far as the Managing Director since there was some trouble connected with the introduction of the Insurance Act; and during the present Director's tenure of the position no case at all has reached the Board of Directors.

[1] At one time there was a member of the Workers' Union on the Committee, but when he left the works the next appointed belonged to a skilled union. The departments represented and the unions to which the members belong are given at the end of this report.

The Committee acts for almost all purposes by the methods described in the preceding paragraph. The Works Manager has met the whole 22 as a body on one occasion only. The occasion was a visit from an officer of the Ministry of Munitions on the question of timekeeping. The Works Manager meets the small number who act for the Committee (perhaps with the employee or employees concerned) whenever there is occasion. The number of interviews rises and falls. Sometimes he will have an interview every day for a week, and then a fortnight without one will pass. These interviews are in employers' time. The 22 members meet by themselves about once a month for general business; these meetings are partly in their own time and partly in the employers' time.

The Committee has been largely responsible for making the appeal for better timekeeping effective, and this is the more remarkable because even before the appeal was made the timekeeping record was considered very good. As an illustration the following figures were given: for the week ending 10/3/17 the total number of hours lost by 3,300 employees was 8,050; the corresponding numbers for 3,500 employees in the week ending 22/9/17 was 5,700; that is a reduction from 2:4 to 1:6 per head. The other questions discussed with the officials of the Committee and the representatives on it of particular departments have included dilution, which was carried through without trouble, and grievances in regard to premium bonus times, including the fixing of new times when methods of production are altered. Usually the arrangement of times is discussed when the question affects a number of men. A toolroom bonus, payment of time and an eighth, was arranged between the Committee's representatives and the Works Manager. This bonus, which was conditional on good timekeeping and increased activity, has since been given up in favor of individual premium bonus.

The Chairman of the Committee, who is an official in his own Union, emphasized three points:—

(1) the division of functions between Union and Works Committee, wage questions in particular being Union matters.
(2) the established procedure as posted up in the departments.
(3) the officials' right of movement from shop to shop.

He had no doubts about the benefits produced by the Committee. The representatives of the management agree as to the success of the present arrangements.

NOTE

Division into Departments

Name of Department.	No. of Employees in Department (in round figures).	No. of Representatives on Committee.[1]	Trade Union of which representatives are members.
Seaplane Department	310	2	Amalgamated Carpenters and Joiners; U.K. Society of Smiths.
Seaplane Erecting			Tool Makers.
Paint Shop	160	1	U.K. Society of Coachmakers.
New Machine Shop ...	770	2	A.S.E.; United Machine Workers.
Old Machine Shop ...	340	2	A.S.E.
Body Shop	60	1	Wood Cutting Machinists.
Stripping and Examining	70	1	A.S.E.
Repair Shop	240	1	A.S.E.
Smiths Shop	30	1	A.S.E.
Detail Shop	180	2	A.S.E.; Sheet Metal Workers.
Finishing Shop	110	1	A.S.E.
Trimming Shop	60	1	U.K. Society of Smiths.
Aviation Engine Department.	200	1	A.S.E.
Fitting Shop	180	1	Steam Engine Makers.
Erecting Shop	110	1	A.S.E.
Experimental Department	30	1	A.S.E.
View Room	120	1	A.S.E.
Molders and Pattern Makers.	50	1	Pattern Makers.

[1] The rule is one representative for each department whatever its size. The exceptions are due to such causes as:—(*a*) In the New Machine Shop—one is allowed for each turn, day and night; (*b*) In the Detail Shop—a body of workpeople who have recently been removed from another department into this shop have been allowed to retain their representation.

(G) The Horstmann Gear Company, Limited,

93, Newbridge Road, Lower Weston, Bath.

These works are a small engineering establishment employing 70–80 men and apprentices and 14 women. There are no laborers. The men are all skilled mechanics. There are 16 apprentices.

The Works Committee was formed in the autumn of 1916. It was set up at the suggestion of the management in order to administer the bonus scheme proposed by the management, in response to a demand by the employees for a 10 per cent. advance in wages in the autumn of 1916.

The essentials of the scheme are as follows:—

Each month a sum equal to 5 per cent. on the wholesale value appearing in the stock book of the viewed and passed manufacturing output for the previous month, and the works' value of other work done during the previous month, is set aside as a bonus fund.

Five per cent. was adopted, as that was the percentage on the output of the previous month represented by a ten per cent. advance on the existing current wages at the date when the first bonus was paid.

Every employee in the works, except the two Managers and the Secretary, participate in the bonus according to the number of "profit-sharing units" to which he or she is entitled under the scheme. Each employee, except apprentices for whom special provision is made, is entitled to one "profit-sharing unit" for each halfpenny per hour of the employees' time-rate, up to, but not exceeding, 9*d.* per hour, and two units for each completed year of service up to five years. Examples:—An employee receiving 9*d.* per hour and having been three years with the firm would be entitled to 24 units; another, receiving 1*s*, 3*d.* per hour and with three years' service, would also receive 24 units; and another, with two years' service and receiving 8*d.* per hour, would be entitled to 20 units.

The Committee meets regularly each month:—

(i) To settle the amount to be set aside for payment of bonus. For this purpose the books of the Company are opened to the Committee.

(ii) To assess the value of the profit-sharing unit.

(iii) To assess the fines incurred by employees under the scheme.[1]

[1] A fine of a certain percentage of the units for any one month, with a maximum of 25 per cent., may be inflicted for each of the following

(iv) To determine the amount of bonus to which each employee is entitled.

2. *Constitution.*—The Committee is a Joint Committee, representing:—

(i) The management.

(ii) The employees.

The two Works Managers and the Secretary are *ex-officio* members. These gentlemen are also the Managing Directors of the Company.

The rest of the Committee consist of six representatives of the employees, elected by ballot by all the employees. The six members represent the works as a whole. Representation is not based on departments or on grades of workers. All employees, apprentices, and women as well as men, are voters.

The officers consist of a Chairman and a Secretary. The officers are elected by the Committee. The present Chairman is the Chairman of the Directors. The Chief Clerk has been elected Secretary.

The Committee meets as a whole. There are no separate meetings of the management members and employee members.

The present elected members have been elected for an indefinite term. The period of office will probably, in future, be six months.

The constitution has not been reduced to writing, and must be regarded as tentative. More women will shortly be employed, and it is intended then to consider the separate representation of women on the Committee.

Only one of the employees is a Union member. The question of relationship to the Trade Unions has, therefore, not arisen.

The Committee has recently formed a Works Musical Society, which is progressing excellently. A canteen will shortly be established, and it is intended to associate the Committee with its management.

3. *Functions of the Committee.*—The Committee, in addition to the above-mentioned special duties, is charged with the considera-

offenses, and these units will then be temporarily forfeited for the month in question:—

(*a*) Insubordination, or use of improper language.

(*b*) Undue carelessness and wilful damage.

(*c*) Neglect to enter goods, advices, time cards, dockets or time sheets.

(*d*) Waste of tools and materials.

(*e*) Waste of time by failing to work full weeks, or by slackness.

(*f*) Refusal to work a reasonable amount of overtime when requested without sufficient reason.

tion generally of any grievances arising in the shop. Its functions in this respect are not specified or limited. The Committee has dealt with shop conditions, wages, holidays and bad timekeeping. It discusses any questions arising in the works which are considered suitable for discussion.

4. *Procedure.*—The Committee meets regularly each month. It meets some 15 minutes, or so, before the end of the working day, and the employee members are paid for the time so spent up to the end of the working day. Any time occupied after the end of the working day is not paid for.

A special meeting can be called at any time on application to the management. Time spent at special meetings is not paid for.

Meetings take place in the works.

Meetings are summoned informally by verbal notice to the members.

The length of meeting varies according to the amount of business to be transacted.

Minutes are regularly kept of the proceedings.

5. *General.*—No arrangements have as yet been worked out for keeping the Committee in touch with the general body of employees. The necessity for such arrangements has not been felt. The decisions of the Committee appear to have given complete satisfaction. Employees are not bound to report grievances to the Committee; if they wish they can approach the management direct. Every facility for this is afforded to all employees.

The value of the unit has already advanced some 30 per cent., and is expected to rise rapidly in the near future owing to improved methods and efficiency. The Committee is regarded as a great success, and has acted as a great incentive to efficiency in the works and in furthering increased production.

(H) H. O. Strong and Sons, Ltd., Norfolk Works, St. Paul's, Bristol

This establishment is a small engineering works employing about 120 men, women and boys.

The Managing Director personally supervises the whole of the works, and very close personal contact is maintained between the management and the employees.

1. *Origin.*—For several years prior to the latter part of 1915 the Company adopted the practice of meeting the whole of the men employed in the works, once a month, to discuss any matters connected with the establishment that seemed to require examination.

At the end of 1915 this practice was abandoned because it was felt by the management—

(i) That much time was wasted discussing irrelevant and unimportant matters.

(ii) That real grievances did not freely come out in the presence of the whole body of employees.

The last meeting of this character took place towards the end of 1915, and at this meeting the Managing Director pointed out these objections to the existing practice, and suggested that a Works Committee should be constituted. The management then retired, and the proposal was discussed by the employees alone.

The employees agreed to the proposal, and proceeded to elect seven representatives to form an Employees' Committee, which would meet as a Joint Works Committee with the management.

2. *Constitution.*—The Committee is composed of:—

(*a*) Three representatives of the management nominated by the Managing Director, namely—

The Managing Director,
Manager of the Repair Department,
Works Manager of the Manufacturing Departments.

(*b*) Seven representatives of the employees.

Representation is based on occupation, not on the department in which the men work.

The representatives are divided as follows:—

1. Laborers (1).
2. Machinists (1).
3. Turners (1).
4. Millwrights (1)
5. Patternmakers (1)
6. Fitters (1).
7. Apprentices (1).

Some 20 women are employed, but are not represented.

Of the seven representatives, four are members of the Amalgamated Society of Engineers, three are non-Unionists.

The employees' representatives are appointed at an annual meeting of all the employees (other than women) held in September. They are appointed for twelve months.

The Managing Director has been elected Chairman of the Joint Committee.

The men's representatives meet separately as an Employees' Committee for the purposes mentioned below in paragraph 4. The

Employees' Committee elects one of its members as Chairman. The Chairman acts as convenor.

There is no relation between the Committee and the Trade Unions concerned. A Trade Union official, as such, does not, therefore, attend the meetings, but one of the Committee is the shop steward appointed by the Amalgamated Society of Engineers.

No constitution of the Committee has been definitely formulated. It is at present experimental, and is developing in accordance with experience.

3. *Functions of the Committee.*—Since the appointment of the Committee, no complaints or suggestions come direct to the management; they are first taken to the Employees' Committee as explained hereafter.

The Committee has dealt with the following classes of business:—

Stoppage of bonus.
General discipline.
Interpretation of official Orders and Circulars.
Interpretation of Trade Union rules and regulations.
Shop conditions, lavatories, ventilation, etc.
Decisions of foremen.
Timekeeping.
Output and costs.
Overtime.
Grant and withholding of Leaving Certificates.

The Committee has proved specially useful as a means of arriving at the proper interpretation of official Orders and Circulars. The operation of the recent Order granting a bonus of 12½ per cent. to certain skilled timeworkers (the Skilled Time Workers (Engineers and Molders) Wages Order, 1917) was discussed at the last meeting, and its operation in these works determined.

4. *Procedure.*—Complaints or suggestions are brought, in the first instance, to the attention of one of the men's representatives. Normally, the complaint or suggestion is made to the representative of the grade to which the person making the complaint or suggestion belongs. This representative then notifies the Chairman of the Employees' Committee, who asks the foreman's consent to a meeting of the Employees' Committee being held, and arranges with him a convenient time. The members are then notified verbally of the time and place of meeting.

A meeting is held as soon as possible after receipt of the complaint or suggestion.

The meeting takes place in the employers' time.

All work in the establishment is paid on a day work basis. The men are paid for time occupied on Committee business.

The men's meetings are of short duration, and are held in the works.

If the Employees' Committee can deal finally with the question raised, they do so. If not, the Chairman of the Employees' Committee aprroaches the Managing Director as Chairman of the Joint Committee and asks for a meeting of the Joint Committee. These meetings are held in the firm's time, and the Committee meets in the office of the Managing Director.

Joint meetings occupy from half-an-hour to two hours, according to the amount of business to be transacted.

A shorthand typewriter is present to take notes, from which regular minutes are entered up in a minute book.

No voting takes place.

All decisions are arrived at by agreement.

There is no regular time for holding meetings of the Joint Committee. Meetings are held as and when required, and are held as soon as possible after a request for a meeting is preferred by either the management or the Employees' Committee.

5. *Relations with Trade Unions.*—There is no direct relation between the Committee and the Trade Unions.

The Unions are recognized by the company, and all Union matters are arranged direct between the management and the Union officials.

The Joint Committee is only concerned with Union Rules so far as affects their interpretation in relation to the circumstances of the works.

The Amalgamated Society of Engineers have a shop steward in the shop. The latter is a member of the Committee, but not in his official capacity as shop steward.

No difficulties have arisen with the Unions.

6. *General.*—The management have found the Committee of the greatest service in conducting the business of the works. It has obviated the necessity of posting notices, always liable to be misunderstood, in many instances. A good output has been maintained, and no trouble has arisen in the works. The management believe that the essential point in preserving good relations with their employees is to ensure an open and full understanding, and that this can only be secured by frequent contact with every section of opinion in the works.

The employees find the Committee of advantage to them because, instead of any complaints being subject to the whim of a foreman or the *ipse dixit* of a manager, the matter is finally decided by a

Committee of their own mates, or, if this is not found possible, by a joint meeting of their own representatives with the management. Moreover, there is no delay. Rapidity of action is regarded as essential if a scheme of control of this sort is to work satisfactorily.

There is general agreement that, in a small meeting of nine or ten persons meeting informally, men have no hesitation in saying what they think, and it is thus possible to gage the "temperature" of the shop with some accuracy.

(I) Messrs. Guest, Keen and Nettlefold, Ltd., Birmingham.

Works—Engineering: Screw, nut, bolt and rivet. Employees (affected by the scheme, in 3 works), 2,500. Departments, some 50. General labor, about ⅓ of the whole. Women employees, 1,850.

1. There are five separate works of the firm, all engaged in the same business, in the Birmingham district. Three of these contiguous to one another (Heath Street, Imperial Mills, and St. George's), are fully included in the scheme here described. The two others follow the same lines, but, being more distant, are not included in the actual operation of the scheme. The origin of the scheme was as follows:—Early in 1914 there was a series of strikes of the women employees, and these strikes affected the men employees, as machines stood idle, work was not ready, and wages were lost. The result was that the men also struck. When matters had thus reached a deadlock, a mass meeting of the men was held on May 9th, 1914, which was attended by the management, and at this meeting the outlines of the scheme now in force were suggested. Subsequently a mass meeting of the women was also held, and the management and representatives of the men attended. The scheme was again propounded, and was accepted by the meeting. Finally a mass meeting of men and women, with the management attending, was held, and here the scheme (that there should be no strike without consultation of the firm, and meanwhile the machines should be kept running, and there should be an Appeals Committee in each of the three contiguous works) was accepted.

2. The works were conducted on this basis for over two years, down to August, 1916, without any difficulty. At that time the question arose of an advance in wages to meet the rise of prices. The matter went to arbitration. Negotiations with the directors took place, and in December they accepted the scheme, and a formal agreement was concluded by which the men, as a society, agreed to a signed contract that they would not strike without consultation of the firm, and received in return a system of Appeals Committee in each

of the three works and a central control board for all the three.

3. The scheme, which came in to full working in December, 1916, embraces, as has been said, three works,[1] including the greater part of the manufacturing section; but the engineering section (which contains about 300 employees) is not at all under or connected with the scheme, its members belonging to various other societies. The 2,500 employees of the manufacturing section of the three works form a definite Trade Society or Union. Few of them before the scheme came into operation were members of a Union; all of them are now members of the new Union. This new Union does not belong to any Trades Council or Allied Trades Committee; its strike rules forbid such membership. The Union is thus peculiar; it is a small Union consisting of the employees of a single firm.

4. The Union, as has been said, has entered into a definite contract with the firm, by which it covenants not to strike without consultation, and to keep the machines running meanwhile, in return for certain concessions. The first of these is:—

(*a*) The Appeals Committee.—There is an Appeals Committee in each of the three works. Each Committee contains men and women representatives, elected, one for each section, by a ballot among the employees of the section; and each has its Chairman, but the Chairman of the Central Control Board often presides at meetings of the different Appeals Committees. The Appeals Committees deal with questions other than those of wages. Their province includes lavatories, canteen, general health and welfare; but they deal mostly with shop conditions and grievances. Any employee with a grievance states it to the Chairman of the Committee or to one of its members who reports it to the Chairman. The Chairman then sends a note on a regular form to invite the foreman to meet him in order to discuss the matter. The matter may be settled at such a meeting; if it is not, it goes to the Appeals Committee; and if, in the opinion of that committee, it raises questions outside their province, it is referred to—

(*b*) the Central Control Board.—This contains, at the present time, from 25 to 30 members, including men and women. The members are nominated by the different Appeals Committees, sub-

[1] Two other works of the firm in the district (Broad Street and King's Norton) are not included in the scheme, and have no Appeal Committee; but the wages and conditions at these works are affected and largely controlled by the system in force at three contiguous works. One of these works is likely to come fully into the scheme, as its site is to be in the future nearer to those of the others; the other is out in the country, and so outside the scheme.

ject to ratification by a general meeting of the works concerned. (Meetings of 800 are not at all uncommon; the employees attend well, as there is a rule that unless two-thirds are present there is no quorum and nothing can be done.) The President of the Central Control Board is elected by the whole Society. The present President has been in industry for the last 37 years, and has had a long practical experience in the works of all the wage-questions which form the staple of the functions of the Control Board. In the handling of these questions the usual method is as follows: A wage-question is reported to the President, and he then communicates with the management in writing. If it is a question of local detail, he writes to the works manager of the particular works; if it is a question of a general kind, he writes to the general works manager. The manager addressed replies to the President in writing (but, as a rule, there has been a personal interview between the two before the reply comes) and the reply is reported by the President to the Central Control Board. If the reply of the management is satisfactory to the Central Control Board, the matter, of course, ends; if it is not, the Central Control Board makes further representations to the management. The Control Board does not meet the management; the relations are entirely by correspondence, supplemented by personal interviews between the President and management.

(*c*) The last resort, if a question is not settled between the Control Board and the management, is the Conciliation Board, consisting of two representatives of the management and two of the Control Board. This Board has never acted hitherto, since, under the working of the Munitions Act, questions which would have gone to the Conciliation Board under normal conditions now go to London for settlement. In this event the President writes to the Ministry of Munitions to state the men's case, giving a copy of his letter to the firm; and a general meeting of all the employers affected may be held before the letter is sent, just as would be the case if the normal procedure contemplated in the rules were being followed.

5. In regard to the general working of the system the following points may be made:—

The firm permits anybody to see the President in the works (another workman sees to his machine while he is absent); it allows his letters to go by the works mail; it has supplied him with a desk beside the bench at which he works and facilities for keeping his books and papers. A room is set aside in which he can have interviews, and the firm provides a room for meetings of the Appeals Committee and Control Board. The management is always ready

to see the President when he asks for an interview, and he has full liberty to go anywhere in the three works, without asking for permission, in order to interview employees or committeemen and to discuss grievances.

As has been mentioned, any grievance between an employee and an overlooker is discussed between the Chairman of one of the Appeals Committee and the overlooker concerned; but if it is not settled the complainant and the overlooker appear before the Appeals Committee and both state their case. The Committee decides which of the parties is, in their view, in the right, and they send the matter for adjustment to the management.

The work of the President under the scheme is unpaid.

(J) A Firm of Electrical Engineers

This establishment is an engineering works employing 400 women, 150 men and 150 boys.

About 40 of the men are skilled. These are all members of the Amalgamated Society of Engineers.

The establishment is almost entirely engaged in making 18-pounder shells. A small amount of private work is done, principally heads of trolley arms for electrically propelled tramcars.

1. *Origin.*—The Works Committee was established in the autumn of 1915.

It was brought into existence to assist in fixing and adjusting piece-work prices.

The Committee was suggested by the men employed at the works, and the local delegate of the Amalgamated Society of Engineers also recommended the establishment of the Committee to the Managing Director.

2. *Constitution.*—The Committee is a men's committee only. It consists of 5 men. The women and boys are not represented. The 5 members are elected by the shop as a whole, and do not represent separate departments or grades.

The constitution of the Committee has not been reduced to writing. It is at present experimental, and is developing in accordance with experience.

3. *Functions of the Committee.*—The principal business of the Committee is to assist in fixing and adjusting piece-work prices. The questions which arise on this score are, however, not complicated or difficult, as the establishment has, since the Committee was formed, been engaged almost entirely on repetition work. The management, in the first instance, settle what they consider fair prices,

and submit them to the Committee with the data on which they have been fixed. The men's committee then meets separately to consider the suggested prices. Ample time is allowed them to consider and discuss the matter, both among themselves and with the workers affected. A joint meeting is then held between the Committee and the management, at which the several prices under consideration are reviewed, and any suggestions as to amendment are considered. If a good case is made out to the satisfaction of the management the price is raised or reduced. If it becomes necessary to reconsider the price already fixed, any suggestions on this score are brought by the Committee to the attention of the management, and are jointly considered. No friction of any sort has so far arisen. Prices have been frequently reduced or increased by mutual agreement. Under ordinary conditions of work, problems arising as to fixing and adjusting piece-work rates will be more difficult, but the Managing Director considers that they can be best dealt with on the lines above indicated.

No limits have been put to the matters with which the Committee may deal, and it is open to the Committee to bring forward any suggestions or complaints relating to the management of the shop.

The Committee has dealt with the following matters:—

Ventilating and sanitary questions.
Complaints as to the decisions of foremen.
Arrangement of shifts.
Allocation of piece-work and day-work.
Holidays.
Alteration of hours of admission to the works.
Interpretation of official orders and circulars.

At the last meeting the application to this establishment of the Skilled Time Workers (Engineers and Molders) Wages Order, 1917, was discussed.

The Managing Director is of opinion that the Committee should also be charged with the supervision of dismissals and reduction of staff, and it is likely that steps will be taken to utilize the services of the Committee in this respect.

The Committee deals solely with domestic questions arising in the shop.

4. *Procedure.*—The men's committee meets separately on the employers' premises and in the employers' time. Time spent on Committee work is paid by the employers. On request, the Committee meets the Managing Director and the Works Manager.

Requests for meetings are made by the Committee to the Works Manager.

Meetings with the management take place in the firm's time, and time is paid.

There are no fixed times for meetings. Meetings either of the employees' committee or joint meetings with the management are held at such times as may be found necessary.

On any business arising, a convenient time for a men's committee or a meeting with the management is arranged as soon as possible, and generally upon the same day.

Meetings are called informally by verbal notice.

Meetings with the management are of an informal character, and the men's representatives are, if necessary, accompanied by the local delegate of the Amalgamated Society of Engineers.

5. *Relations with the Trade Unions.*—There is no official relation between the Committee and the Amalgamated Society of Engineers. The Union is recognized by the company, and very cordial relations exist between the management and the Amalgamated Society of Engineers' officials in the district. All Trade Union matters are dealt with direct by the management and the Union officials. No difficulties of any sort have arisen with the Union.

6. *General.*—The Committee is regarded by the management, the men and the Union officials of the Amalgamated Society of Engineers as a great success. The management have found the Committee of the greatest service in conducting the business of the works. The Managing Director considers the existence of such a Committee as essential, and strongly supports any scheme by which the workers may be given a great share in the control of industry. In his opinion, the success of any such scheme pivots on the establishment of satisfactory joint works committees.

(K) Hotchkiss et Cie., Artillery Works, Coventry

From Official Constitution of Works Committee as Approved by the Ministry of Munitions.

The recognition of a Shop Committee, such Committee to be composed of Stewards elected by their representative Departments by secret ballot and endorsed by their respective Union District Committees.

In deciding on representation the principle will be one representative for each Department having not less than approximately 100 employees. In cases of smaller Departments, these may be grouped together and representation of the Departments so grouped will be on the same basis. No employee of less than 18 years may vote.

Functions of the Committee:—

(*a*) To provide a recognized channel of communication between the employees and the management;

(*b*) To present to the management, through the Chairman of the Committee, any grievance or suggestion which, after full consideration, they think worthy of the firm's attention.

Procedure.

If the management and the Committee fail to agree, and on all questions of principle, negotiations will proceed between the management and the Union as hitherto. The Chairman of the Committee will have facilities to consult the Union local officials.

Failing settlement with the Union, Part 1 of the Munitions of War Act, 1915, will apply.

No stoppage of work will occur during negotiations.

Meetings of the Committee will be held after working hours unless called in case of emergency at the request of the management.

Note from Firm.—"The Committee came into existence at Easter, 1917. It was instituted in the first place on a two months' trial and, as it momentarily achieved its object, was continued until about the end of the year. The constitution of the Committee then became unacceptable to the Shop Stewards and the Committee lapsed."

(L) A Large Engineering Establishment

1. *From the point of view of the management.*—A Dilution Committee arose in 1916 when dilution was introduced. There were no particular rules about its constitution. At the end of 1916, after the question of dilution had been worked out, and as the Committee commenced to take up other questions, the firm began to consider the formal institution of a Works Committee in place of this informal Dilution Committee. The Note printed below gives particulars.

A Joint Shop Committee was set up, but only lasted a few months. It would appear that the really crucial question, which led to the dissolution of the Joint Committee, was the position of the Shop Stewards, which was perhaps not properly coördinated with the institution of the Joint Committee. The men stood out against the Committee because, in their view, its effect would be to weaken the authority of the Shop Stewards. As a matter of fact, the firm has always in practice recognized the Shop Stewards, though in the institution of the Shop Committee it did not take

their position specifically into account. The management sees them whenever they wish it. Generally, they come in twos—a Convenor attending with the Shop Steward of the department from which the complaint is brought. This still goes on; and, therefore, though the Committee is dead, the principle of such a Committee still lives. Generally, it is true, the Shop Steward goes to the foreman first with a complaint; but he can come straight to the management if he is dissatisfied with the foreman's answer.

2. *From the point of view of the men.*—The same people were Shop Stewards and members of the Shop Committee, but they preferred to act in the former capacity. One reason for this preference was curious but natural. There were 24 Shop Stewards in the establishment; there were only nine representatives of the men on the Joint Committee, as the management held the view that the Committee must not be so large as to be unwieldy. The 15 Shop Stewards who were excluded from the Committee were discontented.

3. The last straw which broke down the Joint Committee was a curious thing. It was a question of the washing of women's overalls. The women had agitated (or been agitated) about the matter; it was brought before the Committee; the men took umbrage at a long discussion of such a matter, and the end came.

In spite of this failure, both management and men appear to be in favor of the idea of a Joint Committee.

Note.

Joint Shop Committee

It is proposed to form a Joint Shop Committee for the purpose of mutual discussion of shop questions, with a view to securing harmonious relations and efficiency in the working conditions of the establishment.

The Committee will consist of representatives elected by ballot by the workmen and women of the various departments, arranged in nine divisions as shown below, one representative to each division. The firm will be represented by the Directors and Departmental Managers. The Committee will have power to coöpt any employee or works official for attendance at any meeting where such attendance may be necessary.

A first ballot will be taken in each department, each employee being at liberty to nominate a candidate for his department. The two candidates receiving the largest number of nomination papers will be selected for the final ballot, and the nominee receiving the

larger number of votes in the final ballot will be the elected representative of the department.

It is suggested that the representatives should hold office for six months. A payment of 2*s*. 6*d*. per meeting attended will be paid to each representative by the firm.

The Committee will meet on the first Thursday of each month at 5 p. m., or as may be required.

The scheme is a purely domestic one, and is an attempt by the firm to provide a more direct means of communication with their employees in all matters affecting their conditions and the development of the establishment generally. The Directors invite the cooperation and interest of the employees in the scheme, and trust that each individual will register his vote according to his judgment, in order to make the Joint Committee thoroughly representative.

The ballot will be secret, so that no parties will be in a position to ascertain how any worker has voted. Intimation will be made to each department when the first ballot will take place. The arrangements in connection with the election and voting will be carried out by the existing Joint Shop Committee.

(M) A Munitions Factory

The company owns two factories and manages two others, and altogether employs about ten thousand workers. Its products are ammunition of various kinds for Naval and Military purposes.

This note only refers to one of their factories, in which there are four thousand employees, of whom one thousand five hundred are women. One hundred of the males are general laborers, the rest being skilled or semi-skilled.

The Works Committee was formed in May, 1917, and consists of twenty-one members. It is composed of and is elected by the men, the election taking place at shop meetings. At present the women have no representative and no vote in the elections. Nevertheless, the women have laid certain matters affecting them before the Committee for consideration, and the Secretary of the Committee is in touch with the Organizer of the National Federation of Women Workers, and should need arise would deal with the Women's Section of the Workers' Union, or, indeed, any organization of female labor.

There is no rule excluding non-Unionists, but, in fact, all the members of the Committee are Trade Unionists.

The Committee meets weekly on Tuesdays at supper-time (*i.e.*,

in the men's own time). In cases of real urgency the general manager gives permission for meetings in the company's time.

The Committee has a Secretary, who is largely responsible for the work transacted. He communicates the recommendations of the Committee to the general manager through the company's labor officer.

The Committee, though perhaps not formally recognized by the company, is, in practice, treated as a body with which negotiations can be concluded.

The general procedure is as follows:—

Matters for the consideration of the Committee are reduced to writing and brought up at a meeting. They are then discussed. In many cases the Committee are able to give advice or instructions on the matter without any reference to the management. Should it be decided that in the opinion of the Committee some alteration should be made, the labor officer is requested to lay the matter before the general manager, who frequently discusses the subject with the Secretary before coming to a decision.

Should the matter be deemed to be very important or of a fundamental character the Committee request the general manager to receive a deputation.

Up to the time of writing the working of this Committee, as guided by its present Secretary, is considered by the company as most helpful. It has settled many alleged grievances without any trouble, has prevented several threatened strikes, and generally tended to smooth and harmonious working in the factory.

The success of the whole scheme is largely due to the tact and good sense of both the company's labor officer and the Works Committee's Secretary.

In conclusion it should be stated that before the formation of the Works Committee many consultations had to take place between employees and their respective Unions to settle minor points. This procedure has now been found unnecessary, as the operation of the Committee so far has made it easy for both small and great matters to be ventilated and promptly dealt with with the least possible friction and delay.

(N) Whitehead Torpedo Works (Weymouth), Ltd., Weymouth

The following summary contains part of a memorandum sent to the representatives of 13 trade unions. A letter, which accompanied the memorandum, suggested that a general meeting of delegates of each organized society in the works should be called to discuss with the firm the formation and constitution of the proposed Council.

The proposals are now under discussion by the trade unionists.

In the memorandum the firm suggest:—

"That the existing trade union organizations may be made the basis of a general Council, of reasonable size, representing every union in the works, and given the fullest possible powers to take decisions, subject, of course, to reference to the constituent branches on any issue of sufficient importance."

They then state that:—

"The firm's aim is to associate (through a Council appointed in such a way as to recognize and strengthen the position of the existing trade organizations) the whole body of workers in everything that concerns their well-being, discipline, and control, and, by stirring in each individual the sense of his responsibility towards the State, the industry and the works, to enable such a Council to secure loyal compliance with any decision arrived at conjointly with the firm."

A program of subjects is thereafter given as a basis for discussion.

(1) *Hours of Work.*—The proposal of a 50-hour week on the one-break day system was defeated when voted upon in May. Some men appear to have thought the adoption of a 50-hour week would prejudice the introduction of a 48-hour week after the war. The firm is strongly in favor of a 48-hour week, but in regard to that cannot act without reference to the agreements between the Engineering Employers' Federation and the Trade Unions.

A full explanation of the one-break day is given and arguments in its favor added. This section ends: "The firm has not had any other or better proposal put before it for this purpose, and therefore raises the question again for reconsideration. It is further proposed that, six months after the adoption of the one-break, a referendum by ballot should be taken as to whether the old system of hours should be gone back to or not."

(2) *Time-keeping.*—"The question of time-keeping is the one that has gone nearest to impairing the excellent relations with its employees that the firm values so highly; but it is felt that here again the facts have not been rightly understood by every one."

There follows a discussion of causes. The management have now come to the conclusion that the greatest effect has been produced by the institution of an "open gate" and the relaxation of the official Works' Rules.

"The exact form that the gate rules will finally take is subject to consideration, and is much influenced by the concurrent question of the one-break day; but, in its old form, the "open gate" has been

tried and found wanting, and, one way or another, something else must take its place."

(3) *Release of Diluted Labor.*—"The firm is prepared to invite collaboration from the proposed Council, or sectional Committees representing the individual trades concerned, both as regards the selection of suitable operations on to which to put unskilled labor, and as regards the individuals to be released for skilled work elsewhere."

(4) *Fixing of Piece-work Prices.*—In order to facilitate the fixing of prices satisfactorily to employer and employee it is proposed:—

"It would be one of the functions of such a Council, as is suggested in this memorandum, to set up an organization whereby reliable times for piece-work operations would be ascertained, checked, and counter-checked by both parties. This organization would prevent such occurrences as a recent suggestion of 50 minutes for a particular new operation. A trial made by the management showed that six minutes was an ample allowance. If such trials were made by a Joint Committee (or in their presence) prices could be settled more rapidly, and with less danger of unfairness, or discontent on either side, afterwards."

"The same organization could be used for the purpose of making clear to what extent a job becomes a new one by some alteration in design, material, or method of manufacture."

(5) *General Rules and Regulations.*—"There is a class of rules, offenses against which are punishable by a fine of 2*s.* 6*d.*, dismissal, or a prosecution under the Munitions Acts.

None of these penalties is a convenient one. Fines are as much disliked by the firm as by the men; dismissal entails the loss of services which may be badly needed; and prosecutions entail great waste of time and may produce more evils than the original ones they are meant to cure.

Many of these offenses and some others could probably be dealt with more satisfactorily by such a Council as outlined above. Instances of them are:—

Clocking in too soon, fraudulent clocking, and registering another man's time.

Not keeping at work till knocking-off time.

Leaving work without permission of foreman.

Idling in the works.

Entering or leaving the works otherwise than by the main entrance.

Bringing in liquor.

Gambling in the works.

Taking part in disturbances, using abusive language, and refusing to obey lawful orders.

All the above are offenses under the Works' Rules, permission to post which has been given by the Ministry to the firm as a Controlled Establishment. They have hung in the main entrance since 1915, and are still in force, but every one of them is broken from time to time."

(O) A Shipbuilding Yard

The present number of employees is about 2,400, of whom some 200 are women.

The system in operation at this yard (and the same methods apply at the firm's engine works) is particularly interesting in view of the comparatively long time during which it has been working, and in view also of its success in fostering good relations between the firm and the men. More than 30 years ago an elaborate system of rules for the yard were drawn up by the firm in consultation with delegates from the trades, conferences between members of the firm, officials of the firm and delegates from the various trades in the yard, being held for this purpose on five dates in 1885 and on two in 1886. These "Rules" form a printed booklet of 36 pages, and each employee on joining the yard for the first time can be furnished with a copy. In an address, delivered by one of the late senior members of the firm, at the close of one of the conferences (on 21st January, 1885), there is contained the following statement: "I think I am right in saying that the step taken by this firm in asking their workmen to join with them in the preparation of the rules of this yard is a new step in the history of labor. I cannot find, from anything I have heard or read, that any firm previous to my own firm has asked the men in their employ to join with them in the preparation of the rules by which these men were to be governed." The revision of these Yard Rules has been a subject of conference at various dates since 1886. The present edition of the rules is divided into five sections:—*Section I* is sub-divided into (i) General, (ii) Decauville Railway, (iii) Timekeeping and Piecework, (iv) Regarding Apprentices, (v) Against Accidents, (vi) Against Dishonesty, and (vii) Final. *Section II* deals with the admission of (i) Apprentices to Drawing Office, (ii) Boys as Apprentice Clerks, (iii) Girls as Apprentices in Tracing Departments, (iv) Girls as Apprentices in the Decorative Department, and (v) Girls as Apprentices in Upholstery and Polishing Departments. *Section III* gives the rules for the guidance of the Committee of Awards.

Section IV gives the rules referring to Subscriptions. *Section V* gives the Fire Brigade Rules. There is a separate book of rules for the Accident Fund.

Conferences similar to those of 1885–6 have been held from time to time since, and have developed into a Workers' Committee. The members of the conference at first represented trades, and may still do so, but not necessarily. Each department chooses one or two representatives, and these representatives may or may not be Trade Unionists or Shop Stewards.[1]

The composition of the Committee to-day is as follows:—

Trade.	No. of Delegates.
Painters	1
Engineers, Cranemen, etc.	2
Blacksmiths	2
Joiners (Upholsterers)	2
Plumbers	1
Tinsmiths	2
Riveters	1
Laborers	1
Electricians	1
Iron Carpenters	1
Wood Carpenters	1
Caulkers	1
Drillers	1
Fitters	2
Foremen	2
Drawing Office	1
Counting House	1
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The above is the composition of the Committee when it meets the management in what may be called formal meetings. There are, however, no set meetings, and in addition to the formal meetings much business is done between the firm and the Chairman of the delegates; and, in matters affecting a particular trade, between the firm and the delegates from that trade. In the last 24 years the formal meetings have averaged three a year, but in the last three years there have been 20 meetings, or an average of seven a year.

The delegates hold shop meetings to report results of meetings

[1] The majority of the delegates are trade unionists and official yard delegates for their unions, though not elected to the Committee as such.

with the management, and meet the management again, and so on until agreement is reached.

One of the delegates acts as Convenor or Chairman, and as the link between the delegates and the management. For the formal meetings with the firm, one of the firm's shorthand clerks, at the request of the delegates, acts as Secretary.

The subjects dealt with, in what have been called "formal meetings," cover a wide range:—they have included the revision of Yard Rules originally made in conference; unemployment questions —*e.g.*, the purchase by the firm of an old vessel so as to employ idle men, and subscriptions to an unemployed fund; timekeeping—men leaving their work before the horn blows; arrangements for paying the men—*e.g.*, earlier payment for big squads where division has afterwards to be made among the members of the squad; arrangement of holidays; subscriptions to various funds and charities, including joint funds for augmenting Government allowances to soldiers' dependents; provision of canteens and of supply of carried food warming appliances, and of ambulance transport for injured men; distribution of coal supplied from firm's yard during 1912 coal strike to inhabitants of town (this was worked by delegates themselves under chairmanship of one of the partners); subscriptions to War Loan; and dilution of labor.

When the firm joined the Employers' Association, about 1906, the fact was formally put before the men's delegates.

It will be seen that the list covers not only general industrial questions, shop grievances, &c., but also questions of welfare. (There is a Welfare Supervisor for the some 200 women employers, and a boy's Welfare Supervisor for all the apprentices and young lads. He has formed a Cadet Corps mostly from amongst them.)

All the questions discussed are *general* questions, since, as has already been remarked, the questions of a particular trade are arranged between the firm and the representatives of that trade. In these latter questions the failure to agree would mean that the matter became one between the firm and the particular Trade Union concerned.

The Awards Scheme.—The firm have had in operation since 1880 an Awards Scheme, under which any worker (exclusive of head foremen, officials of the Committee of Awards, and heads of department) may claim an award for improvements and inventions. The scheme was introduced by one of the late senior members of the firm. The rules for the guidance of the Committee of Awards form Section III of the Yard Rules. The Committee consists of an outside and independent person as President, the Manager of

the Yard, and the Manager or Chief Draughtsman of the Engine Works, with a clerk from the counting house as secretary. The rules are elaborate, and designed, among other things, to do justice as between different claimants. The average number of claims is stated to fluctuate very much from year to year. In certain cases where patents have been secured, the amounts received by individuals have run into hundreds of pounds. In the case of patents, the inventors usually ask that one of the firm should be joined with them, and share partly in the gains. The reply of one inventor, when he was asked why this was so, is compounded of Scotch caution and good feeling and trust. It was: "Naebody kens my name, but a'body kens yours."

The Accident Fund Society.—This Society, established 43 years ago by mutual agreement between the firm and their workmen, was, in 1897, used as a basis for contracting out of the Employers' Liability Act of 1880, and the Workmen's Compensation Act of 1897, and has since been amended to conform to the Act of 1906. It is governed by a Joint Committee of 22 managers, with an independent Chairman. Eleven are chosen by the workmen and eleven chosen by the firm; the latter comprise four partners, one manager, and six foremen or members of office staff. Four of the works delegates are also managers of the Accident Fund—two of these being trade delegates and the other two being the foremen delegates. The funds are provided in two ways. Fund No. 1, to meet the legal provisions of compensation imposed by the Acts, is provided entirely by the firm. Fund No. 2, which provides extra benefits, such as solatium for loss of minor portions of the body, for which no lump sum compensation could be demanded under the Acts, is provided from the contributions of the members and the payments of the firm, and, in addition, from the fines imposed in accordance with the Yard Rules. The particular interest of these fines, which like the other features of the rules are carefully detailed, is, that not only are they paid into the Accident Fund, and so, though taken from the individual, returned to the workpeople as a whole, but, in addition, in each case of a fine the firm pays an equivalent amount into the fund. The firm in fining an individual fines itself to the same extent, and the double fine goes to the Accident Fund.

The firm lay great stress upon the fact that this system of yard delegates has gradually developed on voluntary lines as the need for it was felt. In all cases the delegates simply ask to see the management when they so desire, and may meet several or only one of the managers, as the case may be. (There is no question

of equality of numbers of firm's representatives and men's, except in the Accident Fund.)

(P) Parkgate Works Joint Trades Committee

I

RULES FOR WORKS COMMITTEE

1. That this organization be called "The Parkgate Works Joint Trades Committee."
2. That the objects of the Committee are:—
   (*a*) To strengthen Trade Union organization in the works.
   (*b*) To deal with general questions affecting the welfare of all sections in the works.
   (*c*) To give assistance to branches in sectional disputes where the branches fail to arrive at a settlement with the firm.
   (*d*) To keep a watchful eye on representation on local bodies, and to see that the workmen employed by the firm are not overlooked.
   (*e*) To do whatsoever it can to promote a closer union of the different trades represented in the works.
3. That branches be allowed representation as follows:—[1]
   Membership of 50—one delegate,
   Membership over 50—two delegates.
4. That the branches be asked to appoint alternative delegates, and forward their names to the Secretary together with the names of the delegates appointed.
5. Any body of trade unionists working in any department, but whose branch is out of the works, may have representation on the same basis as branches.
6. The President and Secretary shall be empowered to call a meeting of the Committee to deal with any matter which arises, or may arise, affecting the welfare of the branches.
7. Any delegate or branch may have a meeting called by giving notice to the Secretary, stating the business they wish to bring before the Committee.
8. That a delegation fee of one shilling per delegate per year be paid to the Committee.
9. That where sectional disputes are dealt with by Committee,

[1] With, in addition, the Secretary of each branch, if employed in the works, *ex officio*.

deputations to the Management shall consist of two representatives of the Committee and one from the section affected.

10. That the Secretary be *ex officio* member of the Committee.

11. No person allowed to sit on the Committee unless authorized to do so by his branch and certified by the branch secretary.

12.[1] That in the event of any claim being made or dispute which affects the interests of more than one section of the works, such cases shall be dealt with by the Trade Unions concerned and the Joint Trades Committee.

II

Fourteen trade union branches are represented on the Committee. Seven of the fourteen have no members employed outside the Parkgate Works. The seven are:—Four branches of the Iron and Steel Trades Confederation, and a branch each of the Blastfurnacemen, the Enginemen and Cranemen, and the General Laborers. Together these seven branches represent about 1,600 persons in the works. Six of them have three representatives on the Committee; in each case the secretary of the branch is one of the representatives. The seven trade union branches having only part of their membership within the works are:—The Bricklayers, the Amalgamated Society of Engineers, the Blacksmiths, the Molders, the Boilermakers, the Roll Turners and the Carpenters and Joiners; together these seven branches represent about 200 persons in the works. Four of them have two representatives, including the secretary in each case, and three one representative on the Committee. Altogether, therefore, the Committee consists of 31 persons including the secretaries of 11 of the 24 branches.

Rule 4, relating to alternative delegates, is stated to be necessary because some men, for example the first hand at a smelting furnace, cannot leave their work at certain times.

The Committee was formed in January, 1916. An attempt to form a Committee had been made in 1913, but, owing to the slight support given to it, this Committee lasted for a few months only. The influences which produced the present Committee were the recognition of common needs and the desire for harmony (*see* Rule 2). The particular incident from which its inception took place was a meeting called to nominate a representative from the workpeople to the local military tribunal.

Among the subjects which the Committee has discussed are included the following:—Dilution, gambling in the works, the recent

[1] Included recently.

12½ per cent. increase to time workers, extension of this to part-time and part-bonus workers, the provision of canteens, works discipline, participation in local affairs such as elections, promotion of workpeople, &c. In regard to gambling, the Committee decided that the practice should be abolished absolutely; this meant that a "raffle" which had been held for the past seven years was abolished along with the other forms of gambling.

Dilution Committee.—This is a sub-committee of the Works Committee chosen so as to give representation to all the departments most vitally affected by dilution. Its membership is made up of—3 from the Confederation (1 each from the smelters, the millmen and the stocktakers and chemists), 1 from the engineers, 1 from the bricklayers and 1 from the general laborers, with a blastfurnaceman as president and the secretary of the Works Committee as secretary. The secretary has no vote and the president a casting vote only.

(Q) Boot Manufacturers

The Company employs about 1,000 workpeople, of whom two-thirds are men and boys, and one-third women and girls.

1. *Origin.*—The Works Committee was established about fifteen months ago, on the initiative of the management. The object in view was to afford more convenient machinery by which the employees could confer with the management, and *vice versa*.

2. *Constitution.*—The Committee is an Employees' Committee, and consists of 10 representatives, based on several departments into which the establishment is divided. The representatives are distributed as follows:—

1. Clicking Department	2
2. Machine Room Department	2
3. Rough Stuff Department	1
4. Making Department	2
5. Finishing Department	2
6. Boxing Department	1

The two representatives from the machine room department are women. The representative from the boxing department is a woman. The other representatives are men.

The members of the Committee are elected for twelve months. They are elected by the employees at a meeting of the employees convened by the Union for the transaction of Union business.

The constitution of the Committee has not been reduced to writing.

3. *Functions of the Committee.*—No limits have been set to the

matters with which the Committee may deal. It is competent for the Committee to make representation to the management on any question relating to the internal organization of the establishment.

A special function performed by the Committee is the preliminary discussion of piecework rates with the management, prior to such rates being presented to the Conciliation Board for the Board's sanction. The Committee has been found especially useful for the transaction of this business. In many cases it has resulted in agreed rates being submitted for the formal sanction of the Board. This has been particularly the case in reference to fixing rates for new machines.

4. *Procedure.*—No regular times are fixed for the Committee to meet. Meetings with the management are arranged on request by either the Committee to the management or the management to the Committee. The management usually give one day's notice to the Committee when they desire a meeting. Meetings are held in the firm's time, and any loss of wages is made up. Meetings do not usually last beyond an hour.

5. *Relations with Trade Unions.*—It is the policy of the Union that all disputes or complaints shall be settled, as far as possible, in the shop, without reference to the Union officials.

The Union cordially approves of the Committee, and the representatives on the Committee are appointed at a meeting for the transaction of Union business, as already stated.

Several of the Shop Stewards are members of the Committee, but are elected as ordinary representatives, and do not sit by virtue of their office as stewards.

When matters of importance are under discussion a representative of the Union attends the meetings of the management and the Committee.

6. *General.*—In view of the high degree of organization both among the employers and operatives in the boot and shoe industry, and the efficient working of the Conciliation Board machinery, it is considered essential for the successful working of a Committee such as that above described that great care should be taken to see that the Committee does not usurp functions proper to the Conciliation Board. Special stress is laid upon the useful work done by the Committee in arriving informally at agreed piecework rates prior to their being submitted to the Conciliation Board for formal approval.

(R) Messrs. Reuben Gaunt and Sons, Limited, Spinners and Manufacturers, Farsley, Yorkshire

The firm has adopted Works Committees at their Worsted Spinning Mill.

The firm are pioneers in the application of Welfare Schemes in their industry.

The following details, which the firm has kindly supplied, refer to the Spinning Section at Springfield, where combing as well as spinning is carried on.

The number of workers engaged is 400, in the proportion of two-thirds women and girls and one-third men and boys.

The first Committee to be formed was the Factory Council.

This Council was appointed by the Board of Directors, and is composed of two directors and the heads of the respective departments in the works. All the nine members are specialists in their various spheres. The Factory Council acts in an advisory capacity in regard to general questions of finance, ways and means, and expenditure, but in regard to inter-departmental questions it is competent to act both in an advisory and in an executive capacity.

The function of the Factory Council is to consider, unify and consolidate the rules and principles of management.

The Factory Council makes use of the collective experience of its members and, in consequence, the business is more efficiently managed.

Meetings are held weekly, on the same day and at the same hour.

The Chairman is one of the Managing Directors, and is responsible for explaining the business policy to the Council; he is also the medium through which the recommendations of the Council reach the Board of Directors.

When Factory Council meetings were first inaugurated, it was not easy for either directors or heads of departments to table their information freely, neither did either party always appreciate a frank review on matters relating to their department, but in course of time (the Factory Council has been established eight years) confidence and a broader outlook have obtained, and members now pool their experiences quite freely. In this way members are kept in touch with all activities and, instead of having a knowledge limited to their own department, they gain an insight into the whole concern. This reticence on the part of both Directors and Representatives may be a real stumbling block—it should be frankly recognized as a difficulty and means should be found by the management of overcoming it. The Manager or Director, who is used to han-

dling big propositions and acting independently, may be fretted by the narrower view of the man who can see no farther than his own department, but restraint must be exercised.

If the Conferences are to be of any use, those attending them must be able to speak freely and be assured of a sympathetic hearing. Experience proves that time and patience will overcome this difficulty. The time, both of the Manager and the Representative, is well spent, they are coming into closer contact with each other than heretofore, and both are gaining knowledge which will eventually lead to increased confidence and efficiency.

The establishing of such a committee as the Factory Council does not fundamentally alter the general scheme and management of industry. The function of the management is still controlled by the managing staff, but experience has proved that a Council with consultative and advisory powers makes for efficiency and has a distinct value in the business organization.

The concept of leadership is *"Support by the Staff rather than Control of the Staff."*

Conference of Works' Representatives

General Remarks.—In January, 1917, arrangements were made to hold a series of meetings with the various departments for the purpose of showing the value of coöperation and of suggesting that all matters relating to wages and working conditions should in future be dealt with by Conference.

At these little meetings it was pointed out that the old way had been for changes to be made by the management without any active coöperation from the workers.

Changes were made and had to be accepted, but under the new arrangement the coöperation of the workers would be asked for in the belief that they would respond, and the result would be increased confidence.

As a result of these meetings it was unanimously decided to establish Works Committees.

The election of representatives was left entirely in the hands of the workers. The importance, however, of electing representatives who had their confidence was pointed out. It was suggested that workers who had been at the mill some time and believed in our ideals would be valuable, but the greatest stress was laid upon confidence.

Representatives must have the confidence and loyalty of their fellow-workers.

Machinery of Conference.—Each department elects three representatives by ballot. The firm nominates the Managing Director, the Departmental Manager and the foreman to represent the Management. Whenever Conferences are called to adjust differences, two persons from outside the Department are coöpted to act as neutral representatives. The duties of the Departmental Committees are clearly defined and meetings are only called when questions with which they have to deal are involved.

The coöpted members are appointed for one piece of business only.

Committee members are elected for 18 months, one retiring every six months. The retiring member is eligible for reëlection.

Whilst the constitution has been kept as simple as possible it was felt that the adoption of certain principles by all the Works Committees would secure uniformity and be a guide to Conference members, and with this in view the following rules were drawn up and accepted in turn by the different Committees:—

1. There shall be a list of minimum wages established by Conference for all machine-minders.
2. Promotion and pay shall be as nearly as possible in proportion to merit.
3. A worker shall receive extra pay for extra work.
4. No important change in methods, rates, or service, shall be made by either party without a full explanation of its reason and purpose.
5. The Springfield Mills Ideals were adopted as follows:—

THE MAJOR IDEAL BEING—

To produce better yarns than have ever been produced in the past by any one.

THE MINOR IDEALS ARE—

To produce "Emperor" yarns under healthy and happy conditions, honestly, efficiently and profitably.

To educate our workers and ourselves to become highly skilled in order that we may earn a reputation for the highest grade of work, and as a result be able to pay the highest rate of wages.

To secure continuity of employment by supplying high-grade yarns and by giving good service.

To treat customers with absolute fairness in order that we may gain and keep their confidence.

6. So far as possible Conferences shall be held during ordinary

working hours, and attendance at such Conferences shall be paid for at the appropriate rates.

7. Applications for Conferences shall be made to the Board of Directors by the representatives of the workers through the Foreman and through the Manager of the department.

8. Differences shall be adjusted by a Committee of eight—three from the workers, three from the Company and two chosen by these two parties, one of the latter to be appointed Chairman of the meeting.

9. The Conference shall decide the date from which any alteration in pay shall become operative. It shall also decide the minimum length of time any agreement arrived at shall be binding upon the parties thereto, subject to the proviso that whenever working conditions are changed either the employees or the Company shall have the right to obtain a revision of the rates of pay.

10. It was resolved that the present representatives should all three serve for the whole of the present year; at the end of the present year the one having received the least number of votes should retire, but should be eligible for reëlection; at the end of 18 months the representative having received the second lowest number of votes should retire and be eligible for reëlection; at the end of two years the representative having received the greatest number of votes should retire but be eligible for reëlection.

11. It is understood and agreed that it is the business of the management, and is not the business of the Conference, to deal with—

(*a*) The allocation of work to particular sets of drawing.

(*b*) The allocation of minders to particular machines.

Our Works Committees have only been in existence a year, but so far they have worked quite satisfactorily. We realize that time will be needed for representatives, who are unaccustomed to business meetings, to express their opinions and to voice the wishes of their co-workers, but we look upon the scheme as an educational venture and we are prepared to wait patiently and overcome the difficulties that beset us.

Democratic control of industry can only come when democracy has knowledge and wisdom to assume control. Rightly used, Conferences will provide the necessary experience and education for greater responsibility, which will be equally beneficial to all concerned.

In conclusion, it should be remembered that the two principal factors in the organization of human beings are THE SPIRIT and THE MACHINERY. In successful coöperation the Spirit is more

potent than the Machinery. MENTAL ATTITUDE IS OF GREATER CONSEQUENCE THAN MENTAL CAPACITY. Notwithstanding this the machinery is usually the only factor which is accepted consciously and considered in a scientific way. This is unfortunate, for the thing that really counts is *atmosphere;* the right spirit must prevail before the machinery of organization can work properly. The most valuable asset of an employee is—*his Spirit*—that intangible part of his personality which cannot be bought with so cheap a thing as money. It must be won.

The royal road and the only road to capture a man's spirit is to win his *Confidence* and nothing but integrity of purpose and sincerity of heart can do this. There is no field of action in which insincerity is so futile as in the handling of workmen. The employer who believes in the principle that

"CONFIDENCE IS THE BASIS OF ALL PERMANENT RELATIONSHIPS"

and works accordingly, is the man who will make his Works Committees a helpful force in his organization.

GERALD R. GAUNT.

2nd February, 1918.

(S) FOX BROTHERS & CO., LTD., Wellington, Somerset (and Chipping Norton)

The Wellington establishment is one of the oldest woolen and worsted manufacturing businesses in the country, going back to the 17th century. For nearly 150 years it has been controlled by members of the one family, up to 1896 as partners and since then as directors. Several generations of the families of many of the present employees have worked in the mills. The conditions therefore are somewhat exceptional.[1] The present number of employees is about 1,400.

The Works Committee was instituted in February, 1917, on the suggestion of the Directors, as a means to more harmonious working of the business. Each department elects its representatives, roughly in proportion to the numbers of men and women employed; no one is eligible for membership of the Committee unless he (or she) has been at least five years in the employment of the firm; the right to vote is confined to employees of 18 years of age and over. The composition of the Committee is as follows:—

[1] A profit-sharing scheme has been in existence since 1886. Under it some 690 employees have £50,000 invested in the company.

Department.	Number of Employees.	Number of Representatives.
Wool Sorters, etc.	60	2
Worsted Spinning	212	4
Woolen Spinning	145	3
Weaving	591	10
Finishing	119	2
Dyeing	30	2
Washhouse	131	3
Mechanics	64	2
		28

The Committee meets the Directors and the General Manager once a month. Loss of time is paid for. Any question affecting the general welfare of the workers or the business can be discussed. Questions of discipline or wage questions affecting individuals or departments must in the first place come before the foreman of the department concerned and then, if unsettled, before the Manager or Managing Director; if the question is still not satisfactorily settled it can be referred to the Committee and the Directors as the final court of appeal. The object of this procedure is to prevent the undermining of the authority of the management and waste of time upon the discussion of details.

Much of the discussion between the Committee and the Directors has been of an educational character. The Directors have explained some of the principles underlying the administration of a large business—the effect of output upon standing charges and wages, and the like; suggestions for the more economical running of the business are encouraged. In the firm's opinion it is essential to the success of a Works Committee that the Directors take the workpeople into their confidence; the workpeople must be made to realize that they can help the administration and must be asked and given the opportunity to help.

The great advantage secured by the existence of the Committee is claimed to be this: that by a thorough explanation to the members of any new departure in the internal administration of the business misunderstandings are avoided and the workpeople realize the real object of such departures. Another advantage is that the Committee provides a safety-valve; machinery is set up by which any grievance may reach the Directors, and this removes the suspicion that complaints are suppressed by the management.

The Committee also are encouraged to make suggestions as to works amenities such as improvement in ventilation. Questions of

holidays and war savings schemes have been discussed and sub-committees have been appointed to deal with such matters as allotments and war charities.

The Committee express their appreciation of the spirit in which the Directors have met them. Both sides are pleased with the working of the system in its experimental stage and expect it to develop its activities.

The great majority of the workpeople are not members of any union; a small minority are organized in a general laborers' union. The difficulties of connecting the Works Committee with trade unionism as seen by the management are two—the small minority in any union, and the fact that the particular union has nothing in common with the industry; if Works Committees are to be linked up with industrial councils, which on the workpeople's side are formed from the trade unions, some way must be found for isolated establishments to be joined up to the proper unions. Here it may be noted that at the end of November a Works Committee was formed, on the same lines as that at Wellington, at another woolen mill belonging to the same firm, at Chipping Norton. In this case the workpeople are organized and the official of the union took part in the formation of the Committee. There are some 250 workpeople in the establishment and 12 members on the Committee.

In addition to the Works Committee at the Wellington establishment there is also a Management Committee. The two are kept separate for the reason that the workpeople speak with greater freedom in the absence of their foremen.

(T) Rowntree and Co., Ltd., The Cocoa Works, York Memorandum to the Employees in the Almond Paste Department

The Cocoa Works,
York,
1st September, 1916.
(*Revised 1st February,* 1917.)

Works' Councils

For some time past the Directors have felt that it might be of great service to the Manager and Overlookers of a Department, as well as to the Employees, if a Council representing the Management and the Workers were formed, in each Department, for the full and free discussion of all matters affecting the work of the Department, such as:—

(*a*) The comfort and well-being of the employees, so far as these depend upon wages, hours and conditions of work, &c., and

(*b*) The general efficiency of the Department which depends upon such things as time-keeping, discipline, cleanliness, economy in the use of materials, and upon method and output.

The Directors believe that through a Departmental Council, worked in the right spirit, the employees would feel themselves to have a real share in the administration of the Department, whilst their coöperation would be heartily welcomed by the Management.

As showing what is in the minds of the Directors, the following matters are set down as amongst those which might, very properly, be discussed at Departmental Council Meetings:—

(1) The criticism of any Piece Wages not thought to be fair or adequate, and the consideration of suggestions for adjustment.

(2) The consideration of conditions and hours of work in the Department.

(3) The consideration of departmental organization and production.

(4) Rules and discipline.

Owing to the special difficulties of the time, with so many regular workers away, it is not thought advisable just now to institute these Departmental Councils over the Works generally, but, as an experiment, it has been decided by the Directors, with the full concurrence of Mr. G. T. Lee, to form a Council in the Almond Paste Department. It is hoped, however, that although started as an experiment, it may prove to be of permanent value to Workers and Management alike, and that when its value has been shown, and the time is opportune, it may be possible to extend the scheme to other Departments. If this should come about, the institution of a General Works' Council, linking all Departments, would naturally follow.

The work both of the men and women in most of the Departments of the Factory is divisible into certain well defined Sections. In order that each Section may have the fullest opportunity of freely discussing with the Management matters affecting its particular work, it is thought that in addition to a Departmental Council, Sub —or Sectional—Councils will be necessary.

The constitution of such Sectional Councils, as well as of the Departmental Council, is given below.

Sectional Councils

The number of delegates for each Sectional Council will be fixed on the basis of one delegate for every twelve workers (of whatever age) or part of twelve exceeding six, employed in the Section. Sitting with these at the meetings of each Sectional Council, and having equal powers with them, will be the Manager of the Department with the Head and Sub-Overlookers, Monitors or Chargemen of the particular Section. Should these, however (including the Manager), exceed in number the workers' delegates, the Members of the Council representing the Administration, will consist of the Manager, the Head Overlookers, together with as many of the Sub-Overlookers, Chargemen and Monitors (elected by ballot amongst themselves) as are required to make up a number equal to that of the workers' delegates. The Manager of the Department will be ex-officio Chairman of the Sectional Councils. He will not have a casting vote. In the case of a drawn vote the matter would be submitted to me as Director controlling the Department. But a decision adverse to the employees' delegates will not prevent the Trade Union concerned from raising the matter subsequently with the Company. (*See* 2nd par., p. 111.)

In addition, there will be one delegate appointed by each Union concerned (for the Men's Sectional Councils from the Men's Union, and for the Women's Sectional Councils from the Women's Union), who shall be allowed to speak, but shall have no vote. Such delegates shall be deemed to hold a watching brief for the Union, but shall be in the employment of the Firm and working in the Department, and preferably, though not necessarily, in the Section.

It is intended that the meeting of the Sectional Councils shall be held on a fixed day once a week, or once a fortnight, as may, in practice, be found necessary. Full Minutes of the proceedings will be kept by the Secretary (who will be Miss Ruth Slate for the Women's Sections and Mr. T. W. Brownless for the Men's). Matters arising in the meetings, affecting the Department as a whole, and not merely the separate Sections, will be referable to the Departmental Council.

Departmental Council

The Departmental Council will be a distinct body from the Sectional Councils and will consist of one member for every 50 workers (or part of 50 exceeding 25), with an equal number of the Administrative Staff, namely, Manager, Head Overlookers, Sub-Overlookers, Monitors and Chargemen. Where these exceed the work-

ers, the members representing the Administration will consist of the Manager and Head Overlookers, together with as many of the Sub-Overlookers, Chargemen, and Monitors (elected by ballot amongst themselves), as are required to make up a number equal to that of the workers' delegates.

At the meetings of the Departmental Councils there will also be one delegate appointed by the Union representing the Men and one by the Union representing the Women, who shall be allowed to speak, but shall have no votes. Such delegates shall be deemed to hold a watching brief for the Union, but shall be in the employment of the Firm and working in the Department.

Further, the Workers will be entitled to have the attendance of a Permanent Official of their Union, not necessarily in the employment of the Firm, during the discussion of any matter on which they consider it essential that they should have skilled assistance and advice. Any such Official attending a Departmental Council Meeting shall withdraw as soon as the matter is disposed of upon which his or her advice has been required.

Nothing that takes place at a Sectional or Departmental Council shall prejudice the Trade Union in raising any question in the ordinary way. Questions of general principle such as the working week, wage standards and general wage rules, shall not be within the jurisdiction of the Councils.

The meetings of the Departmental Council will be held once a month during working hours, with myself as Chairman and Mr. Linney as Secretary.

No decisions of the Councils, either Sectional or Departmental, will take effect until confirmed by myself or another Director.

Qualifications for Voting for both Sectional and Departmental Councils

All male employees over 21 years of age and all female employees over 16, who have been employed by the Firm for six months (whether on the Regular Staff or not), will be eligible to vote for delegates to both the Sectional or Departmental Councils, and to become Members of such Councils. Delegates will be elected to serve for one year. They will be eligible for reëlection so long as they remain in the employment of the Company. No deduction will be made from the wages of Day-workers for the time occupied as delegates in attending the Council Meetings, and Pieceworkers will receive an average wage for the time so occupied.

Application to the Almond Paste Department

Based upon the aforementioned constitution, the Sectional and Departmental Councils in the Almond Paste Department will work out as follows:—

Sectional.

There will be 6 Sectional Councils as under:—

Women. (1) Bottoms and Centers.
(2) Pipers and Coverers.
(3) Makers.
(4) Packers and Labelers.

Men. (5) Slab, Machine and Boiling (4th Floor).
(6) Crystallizing and Piping (5th Floor), Cage and Carting (3rd Floor).

The number of delegates for each of these Councils will work out thus:—

	No. of Delegates.
(1) *Bottoms and Centers.*	
Bottoms—Room 1	2
Bottoms—Room 2	2
Centers—Room 1	3
Centers—Room 2	1
TOTAL	8
(2) *Pipers and Covers.*	
Room 1	11
Room 2	5
TOTAL	16
(3) *Makers*	6
(4) *Packers and Labelers.*	
Packers	9
Labelers	1
TOTAL	10
(5) *Slab, Machine and Boiling* (4th Floor)	5
(6) *Crystallizing and Piping* (5th Floor)	6
Cage and Carting (3rd Floor)	1
TOTAL	7

Method and Dates of Elections.

In order to facilitate the election of delegates, a list of employees eligible to vote and to become delegates (men of 21 years of age and over, and girls of 16 years and over, who have been employed by the Company for six months) is now hung up in each Section, and these are asked to nominate sufficient delegates *for their particular Section.*

Nomination papers will be hung up in the Department and employees eligible to vote and wishing to nominate delegates for their Section, should make out and sign one of these papers, and place it in the locked box fixed in the Department for this purpose. A voter is at liberty to nominate as delegate any other voter in his or her Section, provided the person nominated is willing to stand as a delegate. The nomination papers will be collected on Thursday, March 1st, at 5.30, and the names of those nominated will then be printed upon the voting papers which will be given out on Wednesday, March 7th. The election of delegates will take place on Thursday, March 8th.

Departmental.

The same method will be followed in the Election to the Departmental Council, which, however, to avoid confusion, will not take place until after the completion of the Sectional Council Election. Nomination papers will be issued on Wednesday, March 14th, and collected March 15th. The Election will take place on Thursday, March 22nd.

The number of delegates to the Departmental Council is shown below:—

Bottoms and Centers.	No. of Delegates.
Bottoms—Rooms 1 and 2	1
Centers—Rooms 1 and 2	1
Pipers and Coverers.	
Room 1	3
Room 2	1
Makers	2
Packers and Labelers	3
Slab, Machine and Boiling (4th Floor)	1
Crystallizing and Piping (5th Floor) *and Cage and Carting* (3rd Floor)	2
TOTAL	14

It is intended to hold the first Meetings of the Sectional Councils within fourteen days and the Departmental Council within one month of the Elections.

T. H. Appleton,
(Director, R. & Co., Ltd.).

(U) A Printing Office

In this office there is only the one Chapel, composed at present of about a dozen compositors. In larger offices there are usually several Chapels.[1] The Chapel meets quarterly. Any member may call a special meeting by "placing a shilling on the stone"; such member will say to the Father "I call Special Chapel at 6 o'clock to-night." If his complaint is found by the Chapel to be a frivolous one the shilling is forfeited. The meetings are held in the office at closing time. In the case of large offices there may not be a room big enough for a chapel meeting, and in such cases meetings are held outside. It is the duty of the Father to interview the head of the firm when anything is wrong; to report to the General Committee of the Union from the Chapel and to the Chapel from the General Committee; to see that subscriptions are paid; to interview newcomers regarding membership of the Union, &c.

Piecework is not now in operation in this shop, so that the Chapel is not called upon in this connection as it may be in other offices.

The employer is strongly inclined towards regular joint meetings between management and representatives of the Chapel. This is rather striking because, as is easy in so small an establishment, he is in direct touch with each of his men. The present Father (he has been in the office for only a few months) did not seem to have entertained the idea of the need for such meetings in this office; he referred to the good conditions and relations prevailing in the office. He said, however, that in bigger offices there was a need for such meetings, and he was prepared to consider the applicability of them to this office. The employer has, in an informal way, for

[1] For example, in one office, there are chapels of compositors, stereotypers, machine minders, machine assistants, warehousemen and certain women employees. The compositors in this office are divided among several departments each of which has its *local* father while *the* father of the compositors' chapel is colloquially known as "imperial" father. The compositors' chapel, as is usual, appoints also a clerk of the chapel. The father of the chapel among the women employees is, appropriately, known as the mother of the chapel.

a long time held meetings with the present Father's predecessor and one or two others of the Chapel. He would have them to tea, during which they would have a discussion on shop questions. As examples of the kind of things which joint meetings could discuss, the employer mentioned the following points:—

(1) The adjustment of work, when new circumstances arise; there had been such joint discussions when recently the previous Father, who had been a long time in the firm, was forced to leave.

(2) A break for lunch in the morning; this he means to bring forward, as the five hours' stretch, though in accordance with the Union agreements and the general practice, is too long.

(3) As an example of how, even in a small establishment (where the relations obviously are friendly), there may be unnecessary distance between employer and workmen, he mentioned that some time ago he gave facilities to the men to acquire review copies of books. This was greatly appreciated and one man happened to remark that he had often hoped some such arrangement could be made. When challenged by the employer for not suggesting the arrangement, the man could only plead that it was n't his place. The incident was quoted as probably typical of many situations in which, for want of proper arrangements, the atmosphere common to the worse industrial establishments clings even to the very best firms much more closely than might otherwise be the case.

(4) The employer further said that he had known of a very serious grievance existing in a large office of which the head of the firm was kept ignorant. He had informed the head of the firm and the grievance, which had been causing great irritation right through the shop, was instantly remedied; it should not have been left to an outsider—obtaining the information only by chance and, again, only by chance knowing the head of the firm concerned—to be the avenue of information.

In regard to the last point (4), the employer was emphatic as to the necessity for the *heads* of establishments meeting the men's representatives. The need was greater the larger the office.[1]

[1] The same need for regular meetings between the management and representatives of the employees was emphasized by the manager of a large printing establishment. He has from time to time held meetings

(V) Welfare Committee (or Social Union)

1. The Works Council as it is called (perhaps it may rather be termed a Welfare Committee), has for its purpose the collection, direct from the workers, of any suggestions for the improvement of their surroundings, and the putting of such suggestions, in the form of mature proposals, before the directors for their approval. It is not intended that these suggestions should in any way be connected with labor conditions. It is the function of the Council to deal solely with suggestions relating to the amelioration of the surroundings of the men's work.

2. The Council is a Joint Council, and its composition is as follows:—There are two representatives of the management and from 19 to 21 of the workmen. The two former are the technical director of the works, who acts as Chairman, and a representative manager [1] nominated by the firm from the sectional managers. The honorary secretary and the honorary treasurer of the Council may be either persons coöpted by the Council, or representatives of the workers on the Council who have been elected by the Council to these offices. The representatives of the men are elected (by ballot, and for a period of 3 years) by the different wards into which the works is divided for electoral purposes (19 in number), and all the workers in the establishment have a vote. Some of the wards represent working departments (*e.g.*, the offices, or again the boilermakers and their laborers); others are artificial creations. These artificial creations are necessary in order that representation may be divided equally among all the departments, without any neglect of small sections and oddments of work. Some of the wards in which women are in a majority are represented by a woman; on the whole Council there are 16 men representatives and 3 women.

3. The Committee has been in existence for some 15 years. As has been said, its function is to deal with shop amenities or works betterment. This includes (*a*) conditions of work during working hours, and (*b*) social activities outside working hours. Of these two the latter is apparently the more considerable, and thus—if one distinguishes between Works Committee, Welfare Committee and Social Union—the Works Council really belongs to the third cate-

with the foremen and the fathers of the different chapels in the office to discuss questions of common interest; lately, the question of the application of the Whitley Report and, at other times, shop regulations, sanitation, etc.

[1] The representative manager is said to act as a very useful link between the firm and the workmen, particularly when he is a young man interested in the social side of the works.

gory rather than the second. The Council, under this head, maintains a recreation ground, for the purchase and equipment of which money was advanced by the firm. The weekly subscriptions paid by the men form at once a sinking fund to extinguish this loan, and a working fund to meet current expenses. The origin of the Works Council, some 15 years ago, was connected with these facts. A number of requests had come from the men to the management, asking for assistance in the promotion of sports, and the advance made by the firm, and the institution of the Works Council, both sprang from these requests.

4. The Works Council thus deals in large measure with questions that lie outside the works. Inside the works its scope is less considerable. The canteen, for instance, is under the control of the firm, which provides meals at less than cost price; the Works Council only deals with the amenities of the canteen. The main concern of the Works Council within the works is with matters such as ventilation, sanitation, and the general comfort of the workers. About half-a-dozen times, but not more, questions have been brought up at the Works Council which have had to be ruled out. Generally, the men's representatives draw a careful distinction between matter belonging to the Works Council and matters belonging to the sphere of Trade Unionism. There has been no difficulty with Trade Unions; on the contrary, the good feeling engendered by the Works Council has led to easy relations between the firm and Trade Unions. The firm, it should be said, recognizes Trade Unions, and deals with them regularly.

5. It may be added that while the Works Council has nothing to do with suggestions for improvements in the works, there is a departmental arrangement under which employees can make suggestions. In each department there is a suggestion box, into which any workman can drop a memorandum of his suggestion; the memoranda of suggestions are regularly collected, and awards of prizes are made for good suggestions.

6. In the matter of meetings and procedure, the Works Council meets once a month, sometimes in the employer's time (in which case the men are paid during the time of their attendance) but generally in the evening, when work is over for the day. There is a regular agenda, prepared by the secretary, containing matters brought up on the reports of sub-committees or raised by individual representatives.

(W) A Miner's Statement on Output Committees

The following statements form part of the answer by a miner working in the area of the Midland Federation to the Questionnaire printed in Appendix I. The references are to the Output (or Absentee) Committees in his district. The functions of these Committees, as in other districts, are concerned with two matters—cases of absence from work and facilities for increasing output (improvements, negligence on the part of officials, &c.):—

1. *Origin.*—(*b*) The Joint Committee [1] found out that output was not only affected by absenteeism, but by faulty management, and they began to frame rules which would embrace the faults of the management, as well as the workers' negligence in absenteeism, and would call the Committees, instead of Absentee Committees, Output Committees, which gives wider facilities and administration in working.

(*c*) The meeting of representatives of employers and employed soon became lively and it showed the intense interest that was taken in the Government suggestions, and the men soon pointed out to the Coal Owners that there were other causes which caused a reduced output of coal besides absenteeism—the faults of the management in allowing the miners to wait for timber, no facilities in taking men to their work and bringing them back, the waiting for tubs through scarcity and uneven distribution of the same. If they were going to work this scheme and draw up rules, they must bring the management in as well as the men.

The Coal Owners, after consultation, decided to accede to the request of the men and asked them to withdraw from this meeting, take it back to their delegate board and appoint a small committee to draw up rules which would give them a voice in the management of the collieries concerned.

2. *Constitution.*—(*d*) The worker's side constitutes a separate Committee only so far. Just to illustrate what I mean; if there is a serious case which has to be brought to the Joint Committee the worker's side will meet together separately before going to meet the management's side, so that they can as far as they are concerned get agreement.

(*e*) They are duly elected, not for 12 months but for any time. This seems to me a great mistake. They ought to be elected every 12 months, as some of them have lost the confidence of the men, and it causes discontent and friction; annual elections would make for confidence and efficiency. The classes represented by these Com-

[1] Sectional joint committees of the miners.

mittees are miners, datal, haulage, surface workers, who are manipulators of coal. I might say it would have been better when the rules were drawn up if it had been stated that all classes must be represented. You have on most of the Committees datal, haulage, and surface workers without representation. These Committees are only set up as far as the Miners' Federation of Great Britain are concerned. Shop men, shunters, laborers, and locomen are outside, as the idea amongst the Coal Owners is that these classes of workers do not affect the output of coal.

(*f*) (i) The trade unions have all the representation as far as the workers are concerned. Of course, it is possible for the men at the colliery to appoint a non-unionist, but he would be a rare species.

(ii) No, it has none; it can suggest, but not appoint; this is left entirely to the men. In one colliery they refused to set up a Pit Committee though the Miners' Union wanted to set one up and the leaders held meetings; but they failed to persuade the men. The Coal Controller was pressing the Directors, and the Directors the management, but they could not persuade the men; the men were afraid of victimization and I think they had a good case. Where men stood by their comrades, they were soon out of work not knowing what for, only the management saying "inefficient."

(iii) The trade union official can pay a visit to any of the Committees when sitting and listen to all the business and see whether it is being conducted in the interests of the men, or to see fair play all round, or to see that the management are not abusing the powers set by rule.

(iv) The relationship is good in many of them, but there are doubts in the men; if some of the stewards are put in contracting places and coal is pretty easy to get, the representatives are open to attack by the men as they say "you would not have such a soft job only you have been acting in the master's interests"; and some of them play more than the usual time allowed, and nothing is said. I am sorry to say that if a strong man is on the Committee and he goes in for pulling the management up the harmony is broken a good deal; you can fine the men and forgive them, but when you come to the management it is another thing.

(*g*) They are chosen by the Managing Director; he asks the Underground Manager, and the under-lookers, or deputies, as they call them who are responsible for different coal seams. By this method you get an all round representation as far as the underground workers are concerned, but datal and surface management is left out.

(*j*) I will be most frank in what I have got to say in this important question. The employing side want no change, as it only applies to absenteeism as far as they are concerned. The rules give the men a voice in the management, but I am sorry to say there is no Committee strong enough to administer the rules as it relates to management: they go so far but stop as they see an invisible pressure being brought upon them which is going to affect the security of their living, a kind of victimization which you cannot prove. Your contracting place is finished and you want another place but the management sends you "odding"—you are middle-aged and you cannot keep pace with the younger element; and you look after a fresh place, but every where is full up; and when you come out of the office you can see other men set on. This is what is going on all round the district, and you want to strengthen these men by having the rules enacted by Act of Parliament to make them binding; and if cases like this happen, there wants to be a Tribunal appointed by Government, representative of all classes so that a man shall have a fair hearing and equality of justice; this will give him a security and it will reduce this insecurity of work.

3. *Functions.*—(*a*) iv. The suggestion of improvements is within the scope of Committee and some good work has been done, which has affected the output of coal and increased the wages of the men.

v. None of these points are dealt with by our Committee or only indirectly; it would be a splendid thing if these points were dealt with. There is more friction caused under these heads between the management and the men than under any other points.

Timekeeping.—The management promises the men they will put so many turns to their credit for doing certain dead work in the mine, and when the time arrives for them to receive the wage at the week end, the money has not been put in to their credit; so the men often have to go to the office to make complaints, with a promise from the management it will be in for next week. If this was brought before a committee of this standing, a more harmonious spirit would be brought to bear on the industry.

Language.—The language by some of the management to the workers is disgraceful and is not fit for any child in the pit to hear. This point can come before the Committee but I have not known of any case yet, though reports have been made to the leaders of the men and they have taken up the cases. In one case I know the men refused to go to work until the management were removed, but wise counsels prevailed and the bitterness was removed.

Methods of Foremen.—The mining industry requires great changes as the methods of the foremen are at fault in not paying for dead

work, such as emptying dirt or packing it; they should pay for so many tubs, but if 1 or 2 tubs are over the stated number that they pay for, they reckon them nothing; in measuring ripping, instead of going to the widest part of the level they go to the narrowest, which may mean to the man a difference of 5*s.* on that piece of work; in not seeing to a good distribution of wagons going in and about the mine, &c. There is a splendid scope for a Committee, but ours have only limited powers as far as the methods of the foremen are concerned.

vii. *Canteen.*—This question does not come within scope of our Committee, but one large colliery has a canteen, and suggestions have been made from the Committee there in the management of the canteen. It would be a good thing for a colliery to have a canteen, as many men are called upon to work overtime and cannot get food, and they work on many hours without, which only means inefficiency. In the colliery which has a canteen, the men can get a good meal and hot drinks at cost price. I know when winter time comes on and the output of coal depends on the surface workers sticking to their work, the management have rest periods for individuals and the management gives them hot drinks to keep them at it. But at collieries where there are no canteens they have to knock off on account of the weather.

Sanitation.—Not within the scope of our Committee, but conditions are awfully bad.

Works Amenities.—Manners: There are hardly any about the collieries; the management have an idea that nothing can be done without swearing and shouting, and it is a disgrace to hear it. Some managers are extremely nice, but they are very rare.

4. *Procedure.*—(*a*) ii. The Committee meets once a week where a large colliery is concerned (say 1,000 to 2,000 employees), but where there are less employees, they are specially summoned by notice from the Secretary of the Committee.

iii. Yes, the worker members meet separately, but only when the questions are vital and contentious.

v. They take place in the workers' time and the employers' time. The meeting is called for 1 o'clock. The management allow the worker members to come out of the pit before the time but at their own (the workers') expense, and the Committee sits till it comes into the workers' time after 2 o'clock.

vi. It generally lasts 2 or 3 hours. It all depends on how many defendants and who are the defendants.

vii. The worker members are paid out of the Trade Union funds at the rate of 2*s.* 6*d.* per meeting. This causes friction as it is cost-

ing the Union a great amount of money and they feel that the Government ought to pay or part pay for this work, as it is being carried on in the national interests to secure a greater output of coal. Some suggest that the management ought to pay half.

5. *Relations with Trade Unions.*—(*b*) They only recognize the Miners' Union as far as the jurisdiction of this committee is concerned. They (the owners) did try to bring offenders in from other unions, but the miners would have nothing to do with them.[1]

6. *General.*—(*a*) The attitude of the management to Committees is fairly good; just according to what the business is. If it applies to men they are good, but when it applies to the management the feeling changes a little; but on the whole it is good. I don't know of any decisions they have not carried out, but it takes them a long time to do it; when they promise, your tenacity has to be great.

(*e*) As far as colliery workers are concerned separate Committees are not needed as they would deal with all questions that could arise; what would be essential would be to see that all grades are represented on the committee.

APPENDIX III

Summary of a District Investigation in the Engineering and Shipbuilding Industries

Of 32 firms in the engineering and shipbuilding industries in one district in which another enquiry was made as to the existence of Works Committees, eight were found to have Works Committees. In addition, one had a Dilution Committee, one a Welfare Committee, one a Women's Committee and in one there was a Shop Committee. In one other there was a Works Committee until recently. Expressions of opinion as to the value of Works Committees were obtained from 18 of the 32 employers. Ten expressed themselves in favor and eight as opposed to Works Committees. Of the ten in favor, seven now have a Works Committee; of the eight opposed, one has a Dilution Committee and one a Gunshop Committee, while six have no form of Committee.

The following are notes of opinions of these employers:—

Favorable:—

(1) "Useful work is the outcome."

[1] In this respect the practice differs from that of the timekeeping committees at the Cleveland and Durham blastfurnaces.

(2) "Committee should be encouraged . . . much depended on class of men chosen from both sides."
(3) "Applied to large establishments very commendable."
(4) "If established generally would do an infinite amount of good."
(5) "Nothing but good would accrue if such Committees were general."
(6) "In entire sympathy."
(7) "Experience is a very happy one and not by any means one-sided as the members of the Committee do everything possible to render assistance to the firm."
(8) "Very harmonious relations although . . . grievances much too one-sided."
(9) "Perfectly satisfied."

Unfavorable:—

(1) "Encourages men to leave work to engage in business which management should attend to."
(2) "Power is taken from management and exercised by the men."
(3) "Simply looking for trouble."
(4) "Advantage would be taken to look for trouble."
(5) "Any amount of friction would ensue."
(6) "Afraid grievances would only come from one side and little endeavor would be made to assist the management in conduct of works."
(7) "Dealing with accredited shop stewards entirely satisfactory."

Of the opinions coming under "Favorable" all except (3) and (4) are from establishments which have Works Committees; of those coming under "Unfavorable" (1) is from an establishment in which one shop has a Committee, (2) to (7) from establishments without Committees.

The opinions of sixteen active trade unionists employed in the same industries in this district also show differences. Of the sixteen seven are employed in establishments which have, or in one have had, a Works Committee, and nine in establishments which have no experience of a Works Committee. Of the seven, five are favorable and two unfavorable; of the nine, four favorable and five opposed.

This investigation would appear to support the results arrived at in the report that the majority both of employers and of workpeople with experience are persuaded of the benefits of Works Committees.

APPENDIX IV

Joint Timekeeping Committees

(A.) (i) Joint Committees at Collieries in Northumberland—Rules.
(ii) Note on Committees at Collieries in other districts.
(B.) (i) Joint Committees at Ironworks in Cleveland and Durham —Agreement.
(ii) Note on Working of these Committees.

(A.) (i) Joint Committees at Collieries in Northumberland —Rules

Northumberland Coal Owners' Association
and
Northumberland Miners' Mutual Confident Association

Rules respecting the Formation and Procedure of Joint Committees for the purpose of securing greater Regularity of Work at the Collieries.

In order to increase the output of coal the following rules are adopted by the above-named Associations:—

1. Where workmen are unable to work in their own working places such persons shall work in other places where there are vacancies in accordance with the custom of the colliery. If no such places are available and the man in consequence has to go home, he shall not be returned to the Authorities as an Absentee on that day.

2. Men prevented from getting to their work at the proper time, due to the workmen's train or car being late, shall on its arrival be allowed to go to work.

3. All deputations shall be held at such hours, whenever possible, as will cause no loss of time to the members of such deputations or the men who appear with them.

4. All persons shall attend every day on which the pit is working unless prevented by illness or other reasonable cause.

5. That a District Committee be set up consisting of an equal number of coal owners' and workmen's representatives.

If all members are not present, only an equal number shall vote on each side.

6. That the District Committee shall meet as agreed upon for the purpose of dealing with disputes which have arisen under any

of the Local Committees and any other business, except in the event of urgent business, in which case a meeting may be called on the representation of either side to specially deal with the matter.

7. That a Local Committee shall be established at each colliery, consisting of an equal number (not exceeding three each) of coal owners' and workmen's representatives to carry out these rules. If all members were not present, only an equal number shall vote on each side.

8. The Local Committee shall meet at least once a fortnight, and the management shall supply a "Time Lost Sheet," showing the names of the men against whom there is a complaint, and the Local Committee shall decide upon whom they shall summon to the next meeting.

9. The men who are called upon to appear before the Committee shall have at least two days' notice given to appear. Failing to attend they will be dealt with in their absence, and the method of giving notice to attend shall be left to the Committee at each colliery.

Meetings are to take place so that men may attend without losing time.

10. The Local Committee shall be empowered to impose fines, and the persons so fined shall have the option of signing a book for such fines to be deducted or to be dealt with by the management.

(*a*) If the first method is selected by the workman and he attends and works full time, as defined by Rule 4, for one month after the fine is inflicted, the fine to be returned to him.

(*b*) All fines not so redeemed to be paid over to some charitable institution to be selected by the Local Committee.

(*c*) The amount of fines shall be:—

For a first offense for which a fine is inflicted, 2*s*. 6*d*. per day of avoidable absence; a second offense, 5*s*. per day. In the event of a third offense the case to be dealt with at the discretion of the management.

11. The Local Committee shall report to the District Committee all cases in which they fail to agree.

12. Excuses for absence must be *bonâ fide,* and where an absentee claims he was away owing to illness, a doctor's note must be produced if demanded.

13. Any official responsible for the workmen losing work or failing to do his best to get work for them shall be reported to the Local Committee, who shall investigate the circumstances, and if

the charge appears to be justified the case shall be reported to the Central Committee to deal with.

14. These rules to continue for the duration of the war.

REGINALD GUTHRIE, WILLIAM STRAKER, } Secretaries.

12th February, 1917.

(A.) (ii) NOTE ON COMMITTEES AT COLLIERIES IN OTHER DISTRICTS

Committees formed on very similar lines have been set up in other, but not in all, mining districts. The statements as to functions and procedure may differ in certain particulars. (1) Provision is sometimes made for the attendance of officials in the miners' and owners' associations at Pit Committee meetings. (2) The scope of a Pit Committee's functions is sometimes stated so as to include more than appears to be covered by Rule 13 above, which deals with officials "responsible for the workmen losing work, or failing to do his best to get work for them." The functions may include the consideration of facilities for output and the suggestion of improvements, apart from cases arising under the circumstances referred to in Rule 13 above. This is commented upon in the report printed in Appendix II (W). (3) The rules vary also in such details as number of representatives, time of meetings and amount of fines.

The results achieved differ greatly from district to district. In some districts no Committees have been set up, while in some others, after being set up, the Committees have either failed to work at all or, after a period of successful operation, have weakened and been abandoned. In other districts, however, the Committees have continued to work satisfactorily, improving timekeeping and organization and increasing output. The application of short time has in certain districts made the need for the Committees less urgent and an estimate of their value difficult. Among the reasons given for failure to institute the Committees are (1) failure of employers to take the matter up, and (2) the younger men's dislike for the scheme; and for failure to work satisfactorily (1) the failure of employers to carry out agreements about Sunday work, etc., and (2) simple inability of the two sides to agree.

(B.) (i) Joint Committees at Ironworks in Cleveland and Durham

Agreement setting up Works Committees to deal with Cases of Time-Losers

This scheme has been suggested by the Ministry of Munitions and accepted by the Cleveland Ironmasters' Association and the Cleveland Blastfurnacemen's Association, in order to avoid the necessity of taking men before the Munitions' Tribunals. The Agreement will come into operation on Sunday the 12th day of August, 1917, at.....Ironworks.

1. At each works in the Ironmasters' Association there shall be set up a Committee consisting in the first instance of three workmen employed at the works.

2. The appointment of the three workmen (one of whom must be the delegate) shall rest with the Cleveland and Durham Blastfurnacemen's and Cokemen's Association.

3. The Cleveland Ironmasters' Association, or any individual member thereof, may, at any future time, and at the request of the Cleveland Blastfurnacemen's Association must, also appoint to the Committee three employer representatives for each works or for such of the works as are affected, and such representatives shall have equal powers and duties with the workmen's representatives.

4. So long as the Committee consists of three representatives, two shall form a quorum; if the Committee consists of six representatives, four shall form a quorum.

5. There shall also be created a Central Committee consisting of six persons, three of whom shall be appointed by the Cleveland Ironmasters' Association, and three by the Cleveland Blastfurnacemen's Association: four to form a quorum.

6. The duties and the powers of the Works Committee shall be:—

(*a*) To inquire fully into every case brought by the Manager of the Works of alleged bad timekeeping on the part of any workman employed at the works under his charge.

(*b*) To give warning and advice to any workman who may appear to need it.

(*c*) To inflict, subject to the provisions of the Truck Acts, such penalty or fine as in the judgment of the Committee the case shall merit, such fine not to exceed 20*s*. in any one instance.

(*d*) In the case of repeated offenses, to transmit the facts and evidence to the judgment of the Central Committee.

(*e*) In the event of the Works Committee being equally divided in their judgment on any case, the same shall be submitted to the Central Committee for decision.

(*f*) Each Works Committee shall have power to reduce or remit altogether any fine imposed by the Committee, if the offender's conduct during the four weeks succeeding the hearing of his case justifies any variation in the original penalty.

7. The duties and the powers of the Central Committee shall be:—

(*a*) To review all the facts and evidence in connection with any case which may be submitted to it by Works Committees, and, if it so decides, to impose upon the offender, subject to the provisions of the Truck Acts, a fine not exceeding 40*s.*, or to submit the case to the judgment of the Ministry of Munitions.

(*b*) To make regulations for the guidance of the Works Committees.

8. Fines shall be deducted, subject to the provisions of the Truck Acts, from the wages due to the workmen penalized, and unless remitted by the end of four weeks from date of deduction, shall be handed over to some fund at the works where the offender is employed to be used for the benefit of the workmen or their dependants, or be handed over to some agreed upon local charity.

9. The regulations herein shall apply by agreement to all workmen members of the Cleveland Blastfurnacemen's Association. Any workman outside the Cleveland Blastfurnacemen's Association, and employed at the Ironmasters' works, may submit his case for judgment to the Committees if he so desires and be bound by the decision given.

10. Each Employer party to this arrangement shall authorize one of his clerical staff to act as Secretary to the Works Committee, and such person shall keep a record of the decisions given by the Committee for the particular works and shall transmit at the end of each calendar month a record of such decisions to the Secretary of the Central Committee and to the Secretary of the Cleveland Blastfurnacemen's Association.

11. The Committees under this scheme shall exist so long as Munition Tribunals under the Munitions of War Act continue to operate, but the regulations may be varied at the end of six months on the application of either party hereto.

12. The requisite agreements to be made immediately by the two

Associations concerned for enabling the Committees to exercise the powers and perform the duties specified above.

13. The Arbitration Act, 1889, shall not apply to any proceedings under this agreement.

Signed on behalf of the Cleveland Ironmasters' Association.

J. T. Atkinson,
Secretary.

Signed on behalf of the Cleveland and Durham Blastfurnacemen and Cokemen's Association.

Thos. McKenna,
Secretary.

Middlesbrough,
July 24th, 1917.

(B) ii. Note on Working of These Committees

It is agreed on both sides that these Committees have worked very satisfactorily; both employers and employees regard the Works Committees as a far better means of investigating and settling questions of this character than that of taking the men before the Munitions Tribunals. Some twenty-eight Committees, all of them joint in membership, have been set up, but it has not been necessary for all of them to meet. The Central Committee had not met up to the end of January, 1918, though two or three cases had been recently filed for that Committee. A Works Committee is generally unanimous about its decision—whether or not a fine should be imposed, or the amount of the fine. In a large proportion of cases, more than half, a reduction or remission of fines has been allowed in accordance with section 6 (*f*). Those workmen who are not members of the union usually avail themselves of section 9 of the Agreement to submit their cases to the Works Committee.

APPENDIX V

National and District Schemes—Shop Stewards

(A) Memorandum of Conference between the Engineering Employers' Federation and thirteen Trade Unions.
(B) Clyde Shipyards Joint Trades' Vigilant Committee.
(C) Coventry Engineering Joint Committee—Shop Rules.

The following schemes are printed as further illustrations of the problem discussed in Section VI. of the Report—"Relations with

Trade Unions." (A) is the agreement come to in December, 1917, between representatives of the Engineering Employers' Federation and of thirteen Trade Unions. (D) is a Trade Union district scheme of organization of Shop Stewards and Works Committees instituted before the war. (C) gives the proposals put forward by the Coventry Engineering Trades' Joint Committee for their district before the negotiations which resulted in (A) were initiated.

(A) Memorandum of Conference between the Engineering Employers' Federation and thirteen Trade Unions [1]

It is mutually agreed to recommend as follows:—

Regulations Regarding the Appointment and Functions of Shop Stewards

With a view to amplifying the provisions for avoiding disputes it is agreed:—

1. The workmen who are members of the above Trade Unions, employed in a Federated establishment, may appoint representatives from their own number to act on their behalf in accordance with the terms of this Agreement.

2. The representatives shall be known as Shop Stewards.

3. The method of election of Shop Stewards shall be determined by the Trade Unions concerned, and each Trade Union, parties to this Agreement, may appoint Shop Stewards.

4. The names of the Shop Stewards, and the shop or portion of a shop in which they are employed, and the Trade Union to which they belong, shall be intimated officially by the Trade Union concerned in the management on election.

5. Shop Stewards shall be subject to the control of the Trade Unions, and shall act in accordance with the rules and regulations of the Trade Unions and agreements with employers so far as these affect the relation between employers and workpeople.

6. In connection with this Agreement, Shop Stewards shall be afforded facilities to deal with questions raised in the shop or portion of a shop in which they are employed. In the course of dealing

[1] Steam Engine Makers' Society, Society of Amalgamated Toolmakers, etc., U.K. Society of Amalgamated Smiths and Strikers, National Society of Amalgamated Brassfounders and Metal Mechanics, Associated Blacksmiths and Iron Workers' Society, Workers' Union, National Amalgamated Union of Labor, United Machine Workers' Association, Electrical Trades Union, United Journeymen Brassfounders, etc., Amalgamated Society of Coremakers, National Union of General Workers, and National Amalgamated Union of Enginemen, etc.

with these questions they may, with the previous consent of the management (such consent not to be unreasonably withheld), visit any other shop or portion of a shop in the establishment. In all other respects they shall conform to the same working conditions as their fellow-workmen.

7. Employers and Shop Stewards shall not be entitled to enter into any agreement inconsistent with agreements between the Engineering Employers' Federation or Local Association and the Trade Unions.

8. The functions of Shop Stewards, so far as they are concerned with the avoidance of disputes, shall be exercised in accordance with the following procedure:—

(*a*) A workman or workmen desiring to raise any question in which he or they are directly concerned, shall in the first instance discuss the same with his or their foreman.

(*b*) Failing settlement, the question shall, if desired, be taken up with the management by the appropriate Shop Steward and one of the workmen directly concerned.

(*c*) If no settlement is arrived at, the question may, at the request of either party, be further considered at a meeting to be arranged between the management and the appropriate Shop Steward, together with a deputation of the workmen directly concerned. At this meeting the Organizing District Delegate may be present, in which event a representative of the Employers' Association shall also be present.

(*d*) The question may thereafter be referred for further consideration in terms of the Provisions for Avoiding Disputes.

(*e*) No stoppage of work shall take place until the question has been fully dealt with in accordance with this Agreement and with the Provisions for Avoiding Disputes.

9. In the event of a question arising which affects more than one branch of trade, or more than one department of the works, the negotiations thereon shall be conducted by the management with the Shop Stewards concerned. Should the number of Shop Stewards concerned exceed seven, a deputation shall be appointed by them, not exceeding seven, for the purpose of the particular negotiation.

10. Negotiations under this agreement may be instituted either by the management or by the workmen concerned.

11. The recognition of Shop Stewards is accorded in order that a

further safeguard may be provided against disputes arising between employers and their workpeople.

12. Any questions which may arise out of the operation of this Agreement shall be brought before the Executive of the Trade Union concerned, or the Federation, as the case may be.

(B) Clyde Shipyards Joint Trades' Vigilant Committee[1] Rules

1. This Committee shall consist of Trade Unions representative of the workmen employed in the Clyde Shipyards.

2. Its object shall be to endeavor to adjust all complaints of a general character, endeavor to secure uniformity in the conditions of employment of the members and strengthen and perfect the organizations of the affiliated Unions.

(*a*) By representatives of the Society affected at once reporting the matter to the Secretary of the Yard Vigilant Committee.

(*b*) By insisting that all non-union members of the respective trades shall become members of their Trade Union.

(*c*) By dealing with any member of an affiliated Union who fails to keep himself in compliance with the Rules of his Union.

Yard Vigilance Committees

3. A Vigilance Committee shall be appointed in each yard or dock, composed of one representative from each Society affiliated. Societies having more than one section of workmen shall be entitled to one representative from each section.

4. The Committee shall appoint a Secretary to whom all complaints shall be lodged by members of the Committee.

5. Each Shop Steward must examine the contribution cards of the members of their own societies on the first Wednesday of each month, and interview new starts immediately after starting.

6. The Committee will meet at least monthly.

7. Representatives of each society must attend and report to the Committee as to the condition of the members under his supervision.

8. On receipt of a complaint, the Committee shall endeavor to

[1] The first meeting was held on the 14th February, 1911. A similar organization in Engineering—The West of Scotland Locomotive and General Engineering Joint Trades' Vigilant Committee—was instituted in September, 1914. It had then been under consideration for some months.

effect a settlement by interviewing the foreman or management. Failing adjustment the matter must then be reported to the Secretary of the Central Board.

9. The machinery of each society for dealing with such questions must first be exhausted before reporting to the Yard Vigilant Committee.

10. The Secretary must send in his official report to the Secretary of the Central Board on the second last Thursday of March, June, September, and December.

11. Should any member of the Yard Vigilant Committee be penalized for taking part in the work of the Committee, such cases must be immediately reported to the Secretary and taken up jointly.

12. Where the Secretary of the Committee has been changed, the name and address of his successor must be forwarded to the Secretary of the Central Board.

13. Expenses incurred by the Committee for room rent, stationery and postages, will be met by the Central Board. All such accounts must be sent quarterly to the Secretary and submitted to the Central Board for approval.

14. Under no circumstances can the Yard Vigilant Committee authorize a stoppage of work, either of a partial or general nature.

Arrears.—Members over 10*s.* in arrears must reduce same at the rate of 2*s.* 6*d.* per week; 15*s.*, 5*s.* per week; and 20*s.*, 10*s.* for the first week and 5*s.* per week thereafter.

Central Board

15. A Central Board shall be appointed and shall consist of a responsible representative of each Union affiliated. Societies having separate sections administered separately shall be entitled to one representative from each section.

16. Their duties shall be to see that a Vigilant Committee is appointed in each yard or dock, and deal with all complaints remitted to them by the Yard Committees.

17. They shall annually elect a Chairman and Secretary from amongst their number, the latter to act as Treasurer.

18. The Secretary on receiving a complaint from a Yard Committee, may, after consultation with the Chairman of the Central Board and the representative of the Trade directly concerned, endeavor to get the matter adjusted, failing which the Central Board will be convened.

19. Before any stoppage of work takes place, the consent of the Central Board of this Committee must be obtained.

20. To meet expenses the Central Board shall make a call upon

each society affiliated for such sum as may from time to time be agreed upon.

21. Meetings of the Central Board will be held on the last Friday of each quarter, or oftener if, in the opinion of the Chairman and Secretary, such is necessary.

(C) Coventry Engineering Joint Committee [1]

Shop Rules and Instructions for Stewards.

1. That the Coventry Engineering Joint Committee shall be the Executive Committee over all Shop Stewards and Works Committees affiliated. Any change of practice in any shop or works must receive the consent of the Joint Engineering Committee before being accepted by the men concerned.

2. That all nominees for Shop Stewards must be members of Societies affiliated to the Coventry Engineering Joint Committee.

3. Stewards shall be elected by ballot for a term not exceeding six months; all retiring Stewards to be eligible for reëlection.

4. Each section shall be able to elect a Steward irrespective of Society.

5. The Stewards of each department shall elect a Chief Steward.

6. The Chief Stewards of departments shall constitute the Works Committee, who, if exceeding 12 in number, can appoint an Executive Committee of seven, including Chairman and Secretary.

7. All Stewards shall have an official Steward's Card issued by Joint Committee.

8. Each Steward on being elected, and the same endorsed by his Society, the Joint Committee Secretary shall send him an official card.

9. The Steward must examine any man's membership card who starts in the shop in his section. He should then advise the man to report to his respective Secretary, and give him any information required on rates and conditions, etc. There shall be a show of cards every month to ascertain if every member is a sound member,

[1] The twenty-one societies affiliated are:—Friendly Society of Ironfounders, Steam Engine Makers, United Machine Workers, Amalgamated Society of Engineers, Amalgamated Toolmakers, Smiths and Strikers, Brassworkers and Metal Mechanics, Coppersmiths, United Brass Finishers, Electrical Trades Union, Boilermakers, Coremakers, Patternmakers, United Coach Makers, Progressive Tin Plate Workers, National Federation of Women Workers, National Union of Clerks, Amalgamated Carpenters and Joiners, General Union of Carpenters and Joiners, London and Provincial Coach Makers, and Amalgamated Wood Cutting Machinists.

and if any member is in arrears (eight weeks) he must report same to the Chief Steward.

10. If there is any doubt of any man not receiving the district rate of wages, the Steward can demand to examine pay ticket.

11. Any member accepting a price or time basis for a job must hand record of same to his Section Steward, who shall keep a record of times and prices on his section of any work, and hand the same to Chief Shop Steward.

12. The Chief Steward shall keep a record of all times and prices recorded to him by sections of his department. On a section being not represented he shall see to the election of Steward for such section.

13. Any grievance arising on any section must be reported to Chief Shop Steward, who shall, with Steward on section and man concerned, interview foreman or manager. Failing redress, the Chief Steward then to report to the Works Committee.

14. The Works Committee shall be empowered to take any case of dispute before the management, not less than three to act as deputation.

15. On the Works Committee failing to come to any agreement with the management, they must immediately report to the Engineering Joint Committee, who shall take up the matter with the firm concerned, a representative of the Works Committee to be one of the deputation. It is essential, pending negotiations, that no stoppage of work shall take place without the sanction of the Engineering Joint Committee.

16. A full list of all Shop Stewards must be kept by the Joint Committee. Any change of Stewards must be reported to the Joint Committee's Secretary.

17. The Joint Committee shall be empowered to call meetings of Stewards at any works, also meetings of all Chief Stewards in the district when the Joint Committee so decides, if necessary.

18. If at any time of dispute the Engineering Joint Committee decides upon the withdrawal of its members from any firm or firms, the Stewards shall be issued a special official badge from this Committee with the idea of assisting to keep order, if necessary, in the interests of the members concerned.

APPENDIX VI

MINISTRY OF RECONSTRUCTION

Committee on Relations between Employers and Employed

Supplementary Report on Works Committees

To the Right Honorable D. Lloyd George, M.P.,
Prime Minister.

Sir,

In our first and second Reports we have referred to the establishment of Works Committees,[1] representative of the management and of the workpeople, and appointed from within the works, as an essential part of the scheme of organization suggested to secure improved relations between employers and employed. The purpose of the present Report is to deal more fully with the proposal to institute such Committees.

2. Better relations between employers and their workpeople can best be arrived at by granting to the latter a greater share in the consideration of matters with which they are concerned. In every industry there are certain questions, such as rates of wages and hours of work, which should be settled by District or National agreement, and with any matter so settled no Works Committee should be allowed to interfere; but there are also many questions closely affecting daily life and comfort in, and the success of, the business, and affecting in no small degree efficiency of working, which are peculiar to the individual workshop or factory. The purpose of a Works Committee is to establish and maintain a system of co-operation in all these workshop matters.

3. We have throughout our recommendations proceeded upon the assumption that the greatest success is likely to be achieved by leaving to the representative bodies of employers and employed in each industry the maximum degree of freedom to settle for themselves precise form of Council or Committee which should be adopted, having regard in each case to the particular circumstances of the trade; and, in accordance with this principle, we refrain from indicating any definite form of constitution for the Works Committees. Our proposals as a whole assume the existence of organiza-

[1] In the use of the term "Works Committees" in this Report it is not intended to use the word "works" in a technical sense; in such an industry as the Coal Trade, for example, the term "Pit Committees" would probably be the term used in adopting the scheme.

tions of both employers and employed and a frank and full recognition of such organizations. Works Committees established otherwise than in accordance with these principles could not be regarded as a part of the scheme we have recommended, and might indeed be a hindrance to the development of the new relations in industry to which we look forward. We think the aim should be the complete and coherent organization of the trade on both sides, and Works Committees will be of value in so far as they contribute to such a result.

4. We are of opinion that the complete success of Works Committees necessarily depends largely upon the degree and efficiency of organization in the trade, and upon the extent to which the Committees can be linked up, through organizations that we have in mind, with the remainder of the scheme which we are proposing, viz., the District and National Councils. We think it important to state that the success of the Works Committees would be very seriously interfered with if the idea existed that such Committees were used, or likely to be used, by employers in opposition to Trade Unionism. It is strongly felt that the setting up of Works Committees without the coöperation of the Trade Unions and the Employers' Associations in the trade or branch of trade concerned would stand in the way of the improved industrial relationships which in these Reports we are endeavoring to further.

5. In an industry where the workpeople are unorganized, or only very partially organized, there is a danger that Works Committees may be used, or thought to be used, in opposition to Trade Unionism. It is important that such fears should be guarded against in the initiation of any scheme. We look upon successful Works Committees as the broad base of the Industrial Structure which we have recommended, and as the means of enlisting the interest of the workers in the success both of the industry to which they are attached and of the workshop or factory where so much of their life is spent. These Committees should not, in constitution or methods of working, discourage Trade organizations.

6. Works Committees, in our opinion, should have regular meetings at fixed times, and, as a general rule, not less frequently than once a fortnight. They should always keep in the forefront the idea of constructive coöperation in the improvement of the industry to which they belong. Suggestions of all kinds tending to improvement should be frankly welcomed and freely discussed. Practical proposals should be examined from all points of view. There is an undeveloped asset of constructive ability—valuable alike to the industry and to the State—awaiting the means of realization; prob-

lems, old and new, will find their solution in a frank partnership of knowledge, experience and goodwill. Works Committees would fail in their main purpose if they existed only to smooth over grievances.

7. We recognize that, from time to time, matters will arise which the management or the workmen consider to be questions they cannot discuss in these joint meetings. When this occurs, we anticipate that nothing but good will come from the friendly statement of the reasons why the reservation is made.

8. We regard the successful development and utilization of Works Committees in any business on the basis recommended in this Report as of equal importance with its commercial and scientific efficiency; and we think that in every case one of the partners or directors, or some other responsible representative of the management, would be well advised to devote a substantial part of his time and thought to the good working and development of such a committee.

9. There has been some experience, both before the war and during the war, of the benefits of Works Committees, and we think it should be recommended most strongly to employers and employed that, in connection with the scheme for the establishment of National and District Industrial Councils, they should examine this experience with a view to the institution of Works Committees on proper lines, in works where the conditions render their formation practicable. We have recommended that the Ministry of Labor should prepare a summary of the experience available with reference to Works Committees, both before and during the war, including information as to any rules or reports relating to such Committees, and should issue a memorandum thereon for the guidance of employers and workpeople generally, and we understand that such a memorandum is now in course of preparation.[1]

10. In order to ensure uniform and common principles of action, it is essential that where National and District Industrial Councils exist the Works Committees should be in close touch with them, and the scheme for linking up Works Committees with the Councils should be considered and determined by the National Councils.

11. We have considered it better not to attempt to indicate any specific form of Works Committees. Industrial establishments show such infinite variation in size, number of persons employed, multiplicity of departments, and other conditions, that the particular form of Works Committees must necessarily be adapted to the circumstances of each case. It would, therefore, be impossible

[1] The reference is to the present Report.

to formulate any satisfactory scheme which does not provided a large measure of elasticity.

We are confident that the nature of the particular organization necessary for the various cases will be settled without difficulty by the exercise of goodwill on both sides.

We have the honor to be, Sir,

Your obedient Servants,[1]

J. H. Whitley, *Chairman.*
F. S. Button.
S. J. Chapman.
G. H. Claughton.
J. R. Clynes.
F. N. Hepworth.
Wilfrid Hill.
J. A. Hobson.
A. Susan Lawrence.
Maurice Levy.
J. J. Mallon.
Thos. R. Ratcliffe-Ellis.
Allan M. Smith.
D. R. H. Williams.
Mona Wilson.

H. J. Wilson, A. Greenwood. } *Secretaries.*

18*th October*, 1917.

APPENDIX VII

Scheme of Local Joint Pits Committees

The following scheme has recently been introduced. It is particularly interesting as an attempt to apply the ideas of the Whitley Report to part of the coal-mining industry.

[1] Sir G. J. Carter and Mr. Smillie were unable to attend any of the meetings at which this Report was considered and they therefore do not sign it. Sir G. J. Carter has intimated that in his view, in accordance with the principles indicated in paragraphs 3, 4 and 5 of the Report, it is important that Works Committees should not deal with matters which ought to be directly dealt with by the firms concerned or their respective Associations in conjunction with the recognized representatives of the Trade Unions whose members are affected.

JOINT COMMITTEE OF REPRESENTATIVES OF THE LANCASHIRE AND CHESHIRE COAL ASSOCIATION, AND THE LANCASHIRE AND CHESHIRE MINERS' FEDERATION.

Resolved: That the Joint Committee recommend the establishment, with the least possible delay, of Local Joint Pit Committees at the various Collieries in the two Counties, and that the functions of the Committees shall be those set out below, and that the Rules of Procedure also set out below should be adopted.

The functions exercisable by the Local Joint Pits Committees and the Rules of Procedure for the conduct of the business.

1. The title of the Committee shall be "The Local Joint Pits Committee."

2. The Committee shall exercise the following functions:—

(*a*) To investigate and report to Manager cases of shortage of tubs.

(*b*) To investigate and report anything interfering with the possibilities of output, such as poor haulage, blocked or congested roadways.

(*c*) To investigate and report to Manager complaints of minimum wage and abnormal places allowances.

(*d*) To stimulate regular attendance and report to Manager persistent absentees.

(*e*) Generally to investigate and report to the Manager anything else which in their opinion is interfering with the satisfactory working of the mine.

(*f*) Any other functions which may from time to time be delegated to them by the Joint Committee.

3. The Committee shall consist of not less than three, nor more than five representatives of the employers, and an equal number of representatives of the workmen employed at the mine. The Manager of the mine shall be the Chairman.

4. Two members of each class of representative present shall form a quorum.

5. The respective representatives on the Committee shall each appoint one of their number to act as Secretary.

6. Meetings of the Committee shall be held once a month. Provided that a Special Meeting may be held at any time at the request of the whole of the members of either side given to the Secretary of the other side. Five days' notice to be given of any meeting, ordinary or special; and the Agenda of the business to be considered at the meeting to be submitted by the Secretaries to each member of the Board with the notice calling the meeting. No busi-

ness to be transacted at any meeting other than that on the Agenda. No matter shall be placed on the Agenda without an opportunity having been previously given to the officials of the mine of dealing with it.

7. The proceedings of each Committee shall be taken and transcribed in duplicate books, and each book shall be signed by the two Secretaries at the meeting at which such minutes are read and confirmed. One copy of such minutes shall be kept by each of the Secretaries. The Secretaries shall also conduct the correspondence for the respective parties, and conjointly for the Committee.

8. In the event of any matter arising which the Committee cannot agree upon, and failing agreement between the Manager and the local Federation Agent, the difference shall be submitted to the Joint District Committee, whose decision shall be final.

9. Each party shall pay and defray the expenses of its own representatives and Secretary.

Dated this Eleventh day of February, 1918.

LIONEL E. PILKINGTON,
President of the Lancashire and Cheshire Coal Association and of the Joint Committee.

THOMAS GREENALL,
President of the Lancashire and Cheshire Miners' Federation, and Vice-President of the Joint Committee.

THOS. R. RATCLIFFE-ELLIS,
Secretary of the Lancashire and Cheshire Coal Association, and of the Joint Committee.

THOMAS ASHTON,
Secretary of the Lancashire and Cheshire Miners' Federation, and of the Joint Committee.

INDUSTRIAL REPORTS. NUMBER 3

INDUSTRIAL COUNCILS AND TRADE BOARDS

Joint Memorandum of the Minister of Reconstruction and the Minister of Labor, explaining the Government's view of the proposals of the Second Whitley Report, together with the Text of the Report.

INDUSTRIAL COUNCILS AND TRADE BOARDS

Joint Memorandum by the Minister of Reconstruction and the Minister of Labor.

1. The proposals contained in the First Report on Joint Standing Industrial Councils of the Committee on Relations between Employers and Employed have been adopted by the Government. The steps which have been taken to establish Industrial Councils have enabled the Government to consider the proposals of the Second Report on Joint Standing Industrial Councils in the light of experience. This Report, which deals with industries other than those which are highly organized, follows naturally upon the First Report of the Committee, and develops the line of policy therein proposed. It has not been found possible from the administrative point of view to adopt the whole of the recommendations contained in the Second Report, but such modifications as it seems desirable to make do not affect the principles underlying the Committee's proposal for the establishment of Joint Industrial Councils. They are designed to take advantage of the administrative experience of the Ministry of Labor with regard to both Industrial Councils and Trade Boards. In view of the growing interest which is being taken in the establishment of Industrial Councils and of the proposed extension of Trade Boards, it appears desirable to set forth the modifications which the Government regard as necessary in putting into operation the recommendations of the Second Report, and also to make clear the relations between Trade Boards and Industrial Councils.

2. The First Report on Joint Standing Industrial Councils referred only to the well-organized industries. The Second Report deals with the less organized and unorganized trades, and suggests the classification of the industries of the country into three groups:—

"Group A.—Consisting of industries in which organization on the part of the employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in the industry. These are the industries which we had in mind in our first Interim Report.

"Group B.—Comprising those industries in which, either as regards employers and employed, or both, the degree of organization, though considerable, is less marked than in Group A.

"Group C.—Consisting of industries in which organization is so

imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry."

The proposals of the Committee on Relations between Employers and Employed are summarized in paragraph 20 of their Second Report as follows:—

"(*a*) In the more highly organized industries (Group A.) we propose a triple organization of national, district, and workshop bodies, as outlined in our First Report.

"(*b*) In industries where there are representative associations of employers and employed, which, however, do not possess the authority of those in Group A. industries, we propose that the triple organization should be modified, by attaching to each National Industrial Council one, or at most two representatives of the Ministry of Labor to act in an advisory capacity.

"(*c*) In industries in both Groups A. and B., we propose that unorganized areas or branches of an industry should be provided, on the application of the National Industrial Council, and with the approval of the Ministry of Labor, with Trade Boards for such areas or branches, the Trade Boards being linked with the Industrial Council.

"(*d*) In industries having no adequate organization of employers or employed, we recommend that Trade Boards should be continued or established, and that these should, with the approval of the Ministry of Labor, be enabled to formulate a scheme for an Industrial Council, which might include, in an advisory capacity, the 'appointed members' of the Trade Board."

It may be convenient to set out briefly the modifications of the above proposals, which it has been found necessary to make.

(1) As regards (*b*) it has been decided to recognize one type of Industrial Council only, and not to attach official representatives to the Council, except on the application of the Industrial Council itself.

(2) As regards (*c*) and (*d*) the relations between Trade Boards and Industrial Councils raise a number of serious administrative difficulties due to the wide differences in the purpose and structure of the two types of bodies. It is not regarded as advisable that a Trade Board should formulate a scheme for an Industrial Council, nor is it probable that Trade Boards for unorganized areas will be set up in conjunction with a Joint Industrial Council.

3. It is necessary at the outset to emphasize the fundamental differences between Industrial Councils and Trade Boards. A Joint Industrial Council is voluntary in its character and can only be brought into existence with the agreement of the organizations of employers and workpeople in the particular industry, and the Council itself is composed exclusively of persons nominated by the Employers' Associations and Trade Unions concerned. The Industrial Council is, moreover, within very wide limits, able to determine its own functions, machinery and methods of working. Its functions in almost all cases will probably cover a wide range and will be concerned with many matters other than wages. Its machinery and methods will be based upon past experience of the industry and the existing organization of both employers and employed. Industrial Councils will, therefore, vary in structure and functions as can be seen from the provisional constitutions already submitted to the Ministry of Labor. Financially they will be self-supporting, and will receive no monetary aid from the Government. The Government proposes to recognize the Industrial Council in an industry as the representative organization to which it can refer. This was made clear in the Minister of Labor's circular letter of October 20th, 1917, in which it is said that "the Government desire it to be under-"stood that the Councils will be recognized as the official standing "consultative committees to the Government on all future questions "affecting the industries which they represent, and that they will be "the normal channel through which the opinion and experience of "an industry will be sought on all questions in which the industry "is concerned."

A Trade Board, on the other hand, is a statutory body established by the Minister of Labor and constituted in accordance with Regulations made by him in pursuance of the Trade Boards Act; and its expenses, in so far as authorized by the Minister of Labor and sanctioned by the Treasury, are defrayed out of public money. The Regulations may provide for the election of the representatives of employers and workers or for their nomination by the Minister of Labor, but in either case provision must be made for the due representation of homeworkers in trades in which a considerable proportion of homeworkers are engaged. On account of the comparative lack of organization in the trades to which the Act at present applies, the method of nomination by the Minister has proved in practice to be preferable to that of election, and in nearly all cases the representative members of Trade Boards are now nominated by the Minister. The Employers' Associations and Trade Unions in the several trades are invited to submit the names of candidates for the

Minister's consideration, and full weight is attached to their recommendation, but where the trade organizations do not fully represent all sections of the trade, it is necessary to look outside them to find representatives of the different processes and districts affected.

A further distinction between Trade Boards and Industrial Councils is, that while Industrial Councils are composed entirely of representatives of the Employers' Associations and Trade Unions in the industry, every Trade Board includes, in addition to the representative members, a small number (usually three) of "appointed members," one of whom is appointed by the Minister to act as Chairman and one as Deputy Chairman of the Board. The appointed members are unconnected with the trade and are appointed by the Minister as impartial persons. The primary function of a Trade Board is the determination of minimum rates of wages, and when the minimum rates of wages fixed by a Trade Board have been confirmed by the Minister of Labor, they are enforceable by criminal proceedings, and officers are appointed to secure their observance. The minimum rates thus become part of the law of the land, and are enforced in the same manner as, for example, the provisions of the Factory Acts. The purpose, structure, and functions of Industrial Councils and Trade Boards are therefore fundamentally different. Their respective areas of operation are also determined by different considerations. An Industrial Council will exercise direct influence only over the organizations represented upon it. It will comprise those employers' associations with common interests and common problems; similarly its trade union side will be composed of representatives of organizations whose interests are directly interdependent. An Industrial Council therefore is representative of organizations whose objects and interests, whilst not identical, are sufficiently interlocked to render common action desirable. The various organizations represent the interests of employers and workers engaged in the production of a particular commodity or service (or an allied group of commodities or services).

A Trade Board, on the other hand, is not based on existing organizations of employers and employed, but covers the whole of the trade for which it is established. As the minimum rates are enforceable by law, it is necessary that the boundaries of the trade should be precisely defined; this is done, within the limits prescribed by statute, by the Regulations made by the Minister of Labor. Natural divisions of industry are, of course, followed as far as possible, but in many cases the line of demarcation must necessarily be somewhat arbitrary. In the case of Industrial Councils difficult demarcation problems also arise, but the considerations involved are

somewhat different, as the object is to determine whether the interests represented by given organizations are sufficiently allied to justify the coöperation of these organizations in one Industrial Council.

4. The reports received from those who are engaged in assisting the formation of Joint Industrial Councils show that certain paragraphs in the Second Report of the Committee on Relations between Employers and Employed have caused some confusion as to the character and scope of Joint Industrial Councils and Trade Boards respectively. It is essential to the future development of Joint Industrial Councils that their distinctive aim and character should be maintained. It is necessary therefore to keep clearly in mind the respective functions of the Joint Industrial Council and the Trade Board, in considering the recommendations contained in the following paragraphs of the Second Report:—

(*a*) Paragraphs 3, 4 and 5, dealing with the division of Joint Industrial Councils into those that cover Group A. industries, and those that cover Group B. industries.

(*b*) Paragraph 7, dealing with district Industrial Councils in industries where no National Council exists.

(*c*) Paragraphs 10, 13, 15 and 16, dealing with Trade Boards in relation to Joint Industrial Councils.

(*d*) Paragraphs 11 and 12, dealing with Trade Boards in industries which are not suitably organized for the establishment of a Joint Industrial Council.

5. *Distinction drawn between Joint Industrial Councils in Group A. Industries and Group B. Industries.*—In paragraph 9 of the Second Report it is implied that the Ministry of Labor would determine whether the standard of organization in any given industry has reached such a stage as to justify the official recognition of a Joint Industrial Council in that industry. It is clear, however, that it would be impossible for the Ministry to discover any satisfactory basis for distinguishing between an industry which falls into Group A., and one which falls into Group B. It is admitted in paragraph 9 of the Second Report, that no arbitrary standard of organization could be adopted, and it would be both invidious and impracticable for the Ministry of Labor, upon whom the responsibility would fall, to draw a distinction between A. and B. Industries. The only clear distinction is between industries which are sufficiently organized to justify the formation of a Joint Industrial Council and those which are not sufficiently organized. Individual, cases must be judged on their merits after a consideration of the scope and effectiveness

of the organization, the complexity of the industry and the wishes of those concerned.

The experience already gained in connection with Joint Industrial Councils indicates that it would be inadvisable in the case of industries in Group B. to adopt the proposal that "there should be "appointed one or at most two official representatives to assist in "the initiation of the Council and continue after its establishment "to act in an advisory capacity and serve as a link with the Gov- "ernment." It is fundamental to the idea of a Joint Industrial Council that it is a voluntary body set up by the industry itself, acting as an independent body and entirely free from all State control. Whilst the Minister of Labor would be willing to give every assistance to Industrial Councils, he would prefer that any suggestion of this kind should come from the industry, rather than from the Ministry.

The main idea of the Joint Industrial Council as a Joint Body representative of an industry and independent of State control has now become familiar, and the introduction of a second type of Joint Industrial Council for B. industries would be likely to cause confusion and possibly to prejudice the future growth of Joint Industrial Councils.

In view of these circumstances, therefore, it has been decided to adopt a single type of Industrial Council.

6. *District Industrial Councils.*—Paragraph 7 of the Second Report suggests that in certain industries in which a National Industrial Council is not likely to be formed, in the immediate future, it might none the less be possible to form one or more "District" Industrial Councils.

In certain cases the formation of joint bodies covering a limited area is probable. It would, however, avoid confusion if the term "District" were not part of the title of such Councils, and if the use of it were confined to District Councils in an industry where a National Council exists. Independent local Councils might well have a territorial designation instead.

7. *Trade Boards in Relation to Joint Industrial Councils.*—The distinction between Trade Boards and Joint Industrial Councils has been set forth in paragraph 3 above. The question whether an Industrial Council should be formed for a given industry depends on the degree of organization achieved by the employers and workers in the industry, whereas the question whether a Trade Board should be established depends primarily on the rates of wages prevailing in the industry or in any part of the industry. This distinction makes it clear that the question whether a Trade Board should or

should not be set up by the Minister of Labor for a given industry must be decided apart from the question whether a Joint Industrial Council should or should not be recognized in that industry by the Minister of Labor.

It follows from this that it is possible that both a Joint Industrial Council and a Trade Board may be necessary within the same industry.

In highly organized industries the rates of wages prevailing will not, as a rule, be so low as to necessitate the establishment of a Trade Board. In some cases, however, a well-defined section of an otherwise well-organized industry or group of industries may be unorganized and ill-paid; in such a case it would clearly be desirable for a Trade Board to be established for the ill-paid section, while there should at the same time be an Industrial Council for the remaining sections, or even for the whole, of the industry or industrial group.

In the case of other industries sufficiently organized to justify the establishment of an Industrial Council, the organizations represented on the Council may nevertheless not be comprehensive enough to regulate wages effectively throughout the industry. In such cases a Trade Board for the whole industry may possibly be needed.

Where a Trade Board covers either the whole or part of an industry covered by a Joint Industrial Council, the relations between them may, in order to avoid any confusion or misunderstanding, be defined as follows:—

(1) Where Government Departments wish to consult the industry, the Joint Industrial Council, and not the Trade Board, will be recognized as the body to be consulted.

(2) In order to make use of the experience of the Trade Board, the constitution of the Industrial Council should be so drawn as to make full provision for consultation between the Council and the Trade Board on matters referred to the former by a Government Department, and to allow of the representation of the Trade Board on any Sub-Committee of the Council dealing with questions with which the Trade Board is concerned.

(3) The Joint Industrial Council clearly cannot under any circumstances over-ride the statutory powers conferred upon the Trade Board, and if the Government at any future time adopted the suggestion contained in Section 21 of the First Report that the sanction of law should be given on the application of an Industrial Council to agreements made by the Council, such agreements could not be made binding

on any part of a trade governed by a Trade Board, so far as the statutory powers of the Trade Board are concerned.

The Minister of Labor will not ordinarily set up a Trade Board to deal with an industry or branch of an industry, in which the majority of employers and workpeople are covered by wage agreements, but in which a minority, possibly in certain areas, are outside the agreement. It would appear that the proposal in Section 21 of the First Report was specially designed to meet such cases. Experience has shown that there are great difficulties in the way of establishing a Trade Board for one area only in which an industry is carried on, without covering the whole of a Trade, though the Trade Boards Act allows of this procedure.

8. *Trade Boards in industries which are not sufficiently organized for the establishment of a Joint Industrial Council.*—Section 3 of the Trade Boards Act, 1909, provides that "a Trade Board for any "trade shall consider, as occasion requires, any matter referred to "them by a Secretary of State, the Board of Trade, or any other "Government Department, with reference to the industrial condi- "tions of the trade, and shall make a report upon the matter to the "department by whom the question has been referred."

In the case of an industry in which a Trade Board has been established, but an Industrial Council has not been formed, the Trade Board is the only body that can claim to be representative of the industry as a whole.

It is already under a statutory obligation to consider questions referred to it by a Government Department; and where there is a Trade Board but no Industrial Council in an industry it will be suggested to Government Departments that they should consult the Trade Board as occasion requires in the same manner as they would consult Industrial Councils.

On the other hand, for the reasons which have been fully set out above, Industrial Councils must be kept distinct from Trade Boards, and the latter, owing to their constitution, cannot be converted into the former. If an industry in which a Trade Board is established becomes sufficiently organized for the formation of an Industrial Council, the Council would have to be formed on quite different lines from the Trade Board, and the initiative should come, not from the Trade Board, which is a body mainly nominated by the Minister of Labor, but from the organizations in the industry. Hence it would not be desirable that Trade Boards should undertake the formation of schemes for Industrial Councils.

7th June, 1918.

Second Report of the Committee on Relations between Employers and Employed on Joint Standing Industrial Councils:

The Committee consisted of the following members:—
The Right Hon. J. H. WHITLEY, M.P., *Chairman*
(Chairman of Committee, House of Commons).

Mr. F. S. Button.
Sir George J. Carter, K.B.E.
Prof. S. J. Chapman, C.B.E.
Sir Gilbert Claughton, Bart.
Mr. J. R. Clynes, M.P.
[1] Mr. F. N. Hepworth.
[1] Mr. W. Hill.
Mr. J. A. Hobson.
Miss Susan Lawrence.
[1] Sir Maurice Levy, Bart, M.P.
Mr. J. J. Mallon.
Sir Thos. R. Ratcliffe-Ellis.
Mr. Robert M. Smillie.
Mr. Allan M. Smith.
[1] Mr. D. R. H. Williams.
Miss Mona Wilson.

Secretaries:

Mr. H. J. Wilson, C.B.E., Ministry of Labor.
Mr. Arthur Greenwood, Ministry of Reconstruction.

To the Right Honorable D. LLOYD GEORGE, M.P., Prime Minister.

SIR,—Following the proposals made in our first Report, we have now the honor to present further recommendations dealing with industries in which organization on the part of employers and employed is less completely established than in the industries covered by the previous Report, and with industries in which such organization is weak or non-existent.

2. Before commencing the examination of these industries the Committee came to the conclusion that it would materially assist their enquiries if they could have the direct advantage of the knowledge and experience of some representative employers who were connected with industries of the kind with which the Committee were about to deal; and it was arranged, with your approval, that Sir Maurice Levy, Mr. F. N. Hepworth, Mr. W. Hill, and Mr. D. R. H. Williams should be appointed to act with the Committee while these industries were under consideration. This arrangement made it possible to release from attendance at the earlier meetings of the Committee Sir Gilbert Claughton, Sir T. Ratcliffe-Ellis, Sir George J. Carter, and Mr. Allan Smith, whose time is greatly occupied in

[1] Additional members of the Committee, appointed in connection with the present Report.

other public work and whose experience is more particularly related to the organized trades covered by our former Report.

3. It is difficult to classify industries according to the degree of organization among employers and employed, but for convenience of consideration the industries of the country may be divided into three groups:—

Group A.—Consisting of industries in which organization on the part of employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in the industry. These are the industries which we had in mind in our first Interim Report.

Group B.—Comprising those industries in which, either as regards employers and employed, or both, the degree of organization, though considerable, is less marked than in Group A.

Group C.—Consisting of industries in which organization is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry.

The present Report is concerned with Groups B. and C.

4. So far as Groups A. and C. are concerned, a number of industries can be definitely assigned to them. Group B., however, is necessarily more indeterminate. Some of the industries in this group approach closely to industries in Group A., while others verge upon Group C. Further, most industries, in whatever class they may fall, possess a "tail," consisting of badly organized areas, or sections of the industry. These facts we have borne in mind in formulating our further proposals.

5. So far as industries in Group B. are concerned, we are of opinion that the proposals of our First Report should, in their main lines, be applied to those which, on examination by the Ministry of Labor in consultation with the Associations concerned, are found to be relatively well organized. We suggest, however, that where in these industries a National Industrial Council is formed there should be appointed one or at most two official representatives to assist in the initiation of the Council, and continue after its establishment to act in an advisory capacity and serve as a link with the Government. We do not contemplate that a representative so appointed should be a member of the National Industrial Council, in the sense that he should have power, by a vote, to influence the decisions of the Council, but that he should attend its meetings and assist in any way which may be found acceptable to it. By so doing he would acquire a continuous knowledge of the conditions of the industry

of which the Government could avail itself, and so avoid many mistakes that under present conditions are inevitable.

The question of the retention of the official representatives should be considered by the Councils in the light of experience gained when an adequate time has elapsed. We anticipate that in many cases their continued assistance will be found of value even after an industry has attained a high degree of organization, but in no case should they remain except at the express wish of the Councils concerned.

6. It may be that in some Group B. industries in which a National Industrial Council is formed certain areas are well suited to the establishment of District Councils, while in other areas the organization of employers or employed, or both, is too weak to be deemed representative. There appears to be no good reason why in the former areas there should not be District Industrial Councils, acting in conjunction with the National Industrial Councils, in accordance with the principles formulated in the Committee's earlier report on the well-organized trades.

7. An examination of some of the industries coming within Group B. may show that there are some which, owing to the peculiarities of the trades and their geographical distribution, cannot at present be brought readily within the scope of the proposals for a National Industrial Council, though they may be quite well organized in two or more separate districts. In such a case we think there might well be formed one or more District Industrial Councils. We anticipate that in course of time the influence of the District Councils would be such that the industry would become suitable for the establishment of a National Industrial Council.

8. In the case of industries in Group B. (as in the industries covered by our first Report), we consider that the members of the National Councils and of the District Councils should be representative of the Employers' Associations and Trade Unions concerned. In the formation of the Councils, regard should be paid to the various sections of the industry and the various classes of labor engaged, and the representatives should include representatives of women's organizations. In view of the extent to which women are employed in these industries, we think the Trade Unions, when selecting their representatives for the Councils, should include a number of women among those who are appointed to be members.

9. It does not appear to us necessary or desirable to suggest any fixed standard of organization which should exist in any industry before a National Industrial Council should be established. The case of each industry will need to be considered separately, regard

being paid to its particular circumstances and characteristics.

In the discussion of this matter, we have considered whether it would be feasible to indicate a percentage of organization which should be reached before a Council is formed, but, in view of the great diversity of circumstances in these industries and of the differing degrees to which the several sections of some of them are organized, we have come to the conclusion that it is more desirable to leave the matter to the decision of the Ministry of Labor and the organizations concerned. Whatever theoretical standard may be contemplated, we think its application should not be restrictive in either direction.

10. The level of organization in industries in Group C. is such as to make the scheme we have proposed for National or District Industrial Councils inapplicable. To these industries the machinery of the Trade Boards Act might well be applied, pending the development of such degree of organization as would render feasible the establishment of a National Council or District Councils.

11. The Trade Boards Act was originally intended to secure the establishment of a minimum standard of wages in certain unorganized industries, but we consider that the Trade Boards should be regarded also as a means of supplying a regular machinery for negotiation and decision on certain groups of questions dealt with in other circumstances by collective bargaining between employers' organizations and trade unions.

In order that the Trade Boards Act may be of greater utility in connection with unorganized and badly organized industries or sections of industries, we consider that certain modifications are needed to enlarge the functions of the Trade Boards. We suggest that they should be empowered to deal not only with minimum rates of wages but with hours of labor and questions cognate to wages and hours. We are of opinion also that the functions of the Trade Boards should be extended so as to enable them to initiate and conduct enquiries on all matters affecting the industry or the section of the industry concerned.

12. If these proposals were adopted, there would be set up, in a number of industries or sections of industries, Trade Boards (consisting of representatives of employers and employed, together with "appointed members") who would, within the scope of their functions, establish minimum standard rates and conditions applicable to the industry or section of the industry which they represented, and consider systematically matters affecting the well-being of the industry.

13. Where an industry in Group C. becomes sufficiently organ-

ized to admit of the institution of National and District Councils, we consider that these bodies should be set up on the lines already indicated. Where it appears to a Trade Board that an Industrial Council should be appointed in the industry concerned, they should have power (*a*) to make application to the Minister of Labor asking him to approach the organizations of employers and employed, and (*b*) to suggest a scheme by which the representation of the workers' and employers' sides of the Trade Board could be secured.

14. Whether in industries in Group C. the establishment of Works Committees is to be recommended is a question which calls for very careful examination, and we have made the general question of Works Committees the subject of a separate Report.

15. We have already pointed out that most of the industries in Groups A. and B. have sections or areas in which the degree of organization among the employers and employed falls much below what is normal in the rest of the industry; and it appears to us desirable that the general body of employers and employed in any industry should have some means whereby they may bring the whole of the trade up to the standard of minimum conditions which have been agreed upon by a substantial majority of the industry. We therefore recommend that, on the application of a National Industrial Council sufficiently representative of an industry, the Minister of Labor should be empowered, if satisfied that the case is a suitable one, to make an Order either instituting for a section of the industry a Trade Board on which the National Industrial Council should be represented, or constituting the Industrial Council a Trade Board under the provisions of the Trade Boards Act. These proposals are not intended to limit, but to be in addition to, the powers at present held by the Ministry of Labor with regard to the establishment of Trade Boards in trades and industries where they are considered by the Ministry to be necessary.

16. We have already indicated (paragraph 9) that the circumstances and characteristics of each of the several industries will need to be considered before it can be decided definitely how far any of our proposals can be applied in particular instances, and we have refrained from attempting to suggest any exact degree of organization which would be requisite before a particular proposal could be applied. We think, however, that the suggestion we have made in the preceding paragraph to confer upon a National Industrial Council the powers of a Trade Board should be adopted only in those cases in which the Minister of Labor is satisfied that the Council represents a substantial majority of the industry concerned.

17. We are of opinion that most of the chief industries of the

country could be brought under one or other of the schemes contained in this and the preceding Report. There would then be broadly two classes of industries in the country—industries with Industrial Councils and industries with Trade Boards.

18. In the former group the National Industrial Councils would be constituted either in the manner we have indicated in our first Report, carrying with them District Councils and Works Committees, or on the lines suggested in the present Report, *i.e.*, each Council coming within the scope of this Report having associated with it one, or two, official representatives to act in an advisory capacity and as a link with the Government, in addition to the representatives of the employers and employed.

19. It should be noted that in the case of industries in which there is a National Industrial Council, Trade Boards might, in some instances, be associated with the Council in order to determine wages and hours, &c., in certain sections or areas. It is possible that in some allied trades, really forming part of the same industry, both sets of proposals might, in the first instance, be in operation side by side, one trade having its Industrial Council and the other its Trade Board. Where these circumstances obtain, we anticipate that the Trade Board would be a stepping stone to the full Industrial Council status.

20. It may be useful to present a brief outline of the proposals which we have so far put forward:—

(*a*) In the more highly organized industries (Group A.) we propose a triple organization of national, district, and workshop bodies, as outlined in our first Report.

(*b*) In industries where there are representative associations of employers and employed, which, however, do not possess the authority of those in Group A. industries, we propose that the triple organization should be modified by attaching to each National Industrial Council one or at most two representatives of the Ministry of Labor to act in an advisory capacity.

(*c*) In industries in both Groups A. and B., we propose that unorganized areas or branches of an industry should be provided, on the application of the National Industrial Council and with the approval of the Ministry of Labor, with Trade Boards for such areas or branches, the Trade Boards being linked with the Industrial Council.

(*d*) In industries having no adequate organization of employers or employed, we recommend that Trade Boards should be continued or established, and that these should, with the ap-

proval of the Ministry of Labor, be enabled to formulate a scheme for an Industrial Council, which might include in an advisory capacity the "appointed members" of the Trade Board.

21. It will be observed that the policy we recommend is based upon organization on the part of both employers and employed. Where this is adequate, as in Group A. industries, there is no need of external assistance. In Group B. industries, we think that the organizations concerned would be glad to have the services of an official representative who would act as adviser and as a link with the Government. In unorganized sections of both groups of industries we believe that a larger measure of Government assistance will be both desirable and acceptable, and we have therefore suggested the adoption of the machinery of the Trade Boards Act in this connection. In Group C. industries we think that organization will be encouraged by the use of the powers under the Trade Boards Act, and where National Industrial Councils are set up we recommend that the "appointed members" of the Trade Board should act on the Councils in an advisory capacity. Briefly, our proposals are that the extent of State assistance should vary inversely with the degree of organization in industries.

22. We do not, however, regard Government assistance as an alternative to the organization of employers and employed. On the contrary, we regard it as a means of furthering the growth and development of such organization.

23. We think it advisable in this connection to repeat the following paragraph from our former Report:—

"It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organization on the part of both employers and workpeople. The proposals outlined for joint coöperation throughout the several industries depend for their ultimate success upon there being such organization on both sides; and such organization is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out."

24. In considering the scope of the matters referred to us we have formed the opinion that the expression "employers and workmen" in our reference covers State and Municipal authorities and persons employed by them. Accordingly we recommend that such authorities and their workpeople should take into consideration the proposals made in this and in our first Report, with a view to de-

termining how far such proposals can suitably be adopted in their case.

We understand that the Ministry of Labor has up to the present circulated our first Report only to employers' and workpeople's associations in the ordinary private industries. We think, however, that both it and the present Report should also be brought to the notice of State Departments and Municipal Authorities employing labor.

25. The proposals we have set forth above do not require legislation except on three points, namely, to provide—

(1) That the Trade Boards shall have power, in addition to determining minimum rates of wages, to deal with hours of labor and questions cognate to wages and hours.

(2) That the Trade Boards shall have power to initiate enquiries, and make proposals to the Government Departments concerned, on matters affecting the industrial conditions of the trade, as well as on questions of general interest to the industries concerned respectively.

(3) That when an Industrial Council sufficiently representative of an industry makes application, the Minister of Labor shall have power, if satisfied that the case is a suitable one, to make an Order instituting for a section of the industry a Trade Board on which the Industrial Council shall be represented, or constituting the Council a Trade Board under the Trade Boards Act.

26. The proposals which we have made must necessarily be adapted to meet the varying needs and circumstances of different industries, and it is not anticipated that there will be uniformity in practice. Our recommendations are intended merely to set forth the main lines of development which we believe to be essential to ensure better relations between employers and employed. Their application to the several industries we can safely leave to those intimately concerned, with the conviction that the flexibility and adaptability of industrial organization which have been so large a factor in enabling industry to stand the enormous strain of the war will not fail the country when peace returns.

27. Other problems affecting the relations between employers and employed are engaging our attention, but we believe that, whatever further steps may be necessary to accomplish the object we have in view, the lines of development suggested in the present Report and the one which preceded it are fundamental. We believe that in each industry there is a sufficiently large body of opinion willing to adopt

the proposals we have made as a means of establishing a new relation in industry.

We have the honor to be, Sir,

Your obedient Servants,[1]

J. H. Whitley, *Chairman.*
F. S. Button.
S. J. Chapman.
G. H. Claughton.
J. R. Clynes.
F. N. Hepworth.
Wilfrid Hill.
J. A. Hobson.
H. J. Wilson, A. Greenwood, *Secretaries.*
A. Susan Lawrence.
Maurice Levy.
J. J. Mallon.
Thos. R. Ratcliffe-Ellis.
Allan M. Smith.
D. R. H. Williams.
Mona Wilson.

18th October, 1917.

[1] Sir G. J. Carter and Mr. Smillie were unable to attend any of the meetings at which this Report was considered, and they therefore do not sign it.

APPENDIX H

THE PREDECESSOR OF THE WHITLEY SCHEME

A MEMORANDUM ON INDUSTRIAL SELF-GOVERNMENT

Together with a Draft Scheme for a Builders' National Industrial Parliament

Prepared by request of J. H. Whitley, M.P.

By Malcolm Sparkes

INDUSTRIAL SELF-GOVERNMENT

This memorandum is an attempt to set out in detail the considerations that have led me to advocate the setting up of National Industrial Parliaments in our staple industries, as a contribution towards the solution of some of the most urgent problems that confront the country at this time.

The examination falls naturally into two sections:—

(a) The needs of the industrial situation.

(b) The congestion of the parliamentary machine.

The scheme was originally drawn up for the Building Industry, in a branch of which I have been engaged for many years, as an employer. But it has always been clear to me that if the principles are sound they must be equally applicable to most of our staple industries.

A.—The Needs of the Industrial Situation

It was the amazing futility of that struggle, involving, as it did, many employers who, like ourselves, had no quarrel whatever with their opponents, that finally riveted my attention firmly upon the extreme urgency of the problem and the necessity of trying to find a solution that would be big enough to break through the old barriers of hostility and suspicion and carry all before it.

Whilst the complete elimination of conflict may as yet be quite impossible, the hope of the future undoubtedly lies in the intimate and continuous association of both Management and Labor, not for

the negative purpose of adjusting differences, but for the positive purpose of promoting the progressive and continuous improvement of their industrial service, from which alone the national prosperity can be derived.

Industrial Peace must come, not as the result of the balance of power with a supreme Court of Appeal in the background. It must emerge as the inevitable by-product of mutual confidence, real justice, constructive goodwill. Industry needs no truce, no compulsory arbitration, no provision for the postponement of disputes.

What it needs is *confidence* and a courageous forward movement supported by the constructive genius of both sides in common council.

The task of Industrial Reconstruction is one of the most stupendous that our country has ever had to face. It was just that fact with its tremendous challenge to the best in every one of us, that led me to the conviction that proposals, at first sight Utopian, could after all be successfully applied in the reorganization of our industrial life to-day.

We built the old order upon the basis of *opposed* interests. I believed that the *common* interests of industry would prove to be wider and more fundamental than those which were still admittedly opposed; and that upon these common interests the fabric of the new industrial order might be confidently raised.

THE SCHEME

The National Executives of the Trade Unions in the industry should invite the National Employers' Federation to coöperate with them in setting up a National Industrial Parliament, representing Management and Labor in equal numbers.

The object of this body would be "to promote the continuous and progressive improvement of the industry, to realize its organic unity as a great national service, and to advance the well-being and status of its personnel."

It will be seen that this is a definite attempt to break down the long established barriers, to mobilize for immediate active service all the goodwill that we know exists on both sides, and to focus it upon a field of wise development hitherto almost entirely unexplored.

The new assembly would be *constructive and nothing but constructive,* and disputes would be completely excluded from its program. It would in no way supersede the existing Employers' Associations or Trade Unions, nor would it do away with the Conciliation Boards, which would still perform their proper function in the settling of differences and disputes.

The field of action which would be opened up by the proposed Industrial Parliament would, however, be very great. One of its first steps would be to set up a number of committees, with power to coöpt experts, to investigate and submit recommendations upon each of the following important matters, for example:—

1. *The Regularization of Wages*

To supersede the present chaotic confusion by the provision of a graduated scale of minimum rates designed to keep REAL wages in the industry as nearly as possible on a level throughout the country.

A brief explanation is necessary to make this proposition clearer. The present rates of wages in the building industry are extraordinarily erratic, as the following table, taken from "The Builder," will show:—

WAGE RATES IN THE BUILDING INDUSTRY, SEPTEMBER, 1916.

	Masons.	Bricklayers.	Carpenters and Joiners.	Plasterers.	Slaters.	Plumbers.	Painters.	Masons' Laborers.	Bricklayers' Laborers.	Plasterers' Laborers.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
London...	1 0½	1 0½	1 0½	1 0½	..	1 1	10	9	9	9
Crewe	7½	8	7½	9	8½	8½	8	5½	5½	6
Manchester	11	11	11	11	10	11	10½	7½	7½	7½
Bedford ...	8	8	9	8½	8	9	6½	5½	5½	6
Liverpool ..	1 0	1 0	1 0	11	11½	1 0	10½	8	8	8
Taunton ...	7	7	7	7	..	6	6½	4½	4½	4½
Nottingham	11	11	11	10½	10½	11	10	8½	8½	9

These seven examples are selected almost at random from a list of over a hundred towns in England and Wales alone. They are probably sufficient to show my meaning.

If London is taken as the standard, then Manchester and Nottingham are probably in their proper ratio; but Crewe is certainly far too low, and probably Bedford and Taunton also. Liverpool, on the other hand, seems high as compared with Manchester. The effect of this lack of standardization is apparent every time that a proposal for advance is made by the Trade Unions in any given district. The employers invariably reply that, although sympa-

thetic, they are compelled to oppose the demand in view of the competition of districts not subject to proportionate advance.

In this way we invariably get the minimum of result accompanied by the maximum of friction. And there is a further important point. The advantage of the migration of manufacturing industries from town to country is now generally recognized. But this beneficent movement is being literally hampered by the fact that workmen will not transfer themselves from a highly paid district to one where the wages are low.

The standardizing of *real* wages throughout the country would, therefore, greatly increase the mobility of labor and would be of vital importance in the solving of the problem of decasualization. And there would appear to be no valid objection to the principle of the scheme, although, hitherto, it has been impossible of achievement owing to the unwillingness of local associations to surrender a part of their autonomy.

Standardization being once accomplished, all subsequent advances in *real* wages would be arranged on a national basis, and an immense amount of friction would totally disappear.

2. *Prevention of Unemployment*

To devise measures for (a) the prevention of unemployment, with a view to its ultimate abolition, and (b) the decasualization of Labor, a very important problem, which is undoubtedly soluble by scientific organization.

In regard to the former, there is no doubt that some form of State assistance is essential if really effective progress is to be made. The proposals of the National Housing and Town Planning Council afford a model of the kind of thing that might be developed. Probably some of the recommendations of the Minority Report of the Poor Law Commission (Unemployment section) would also be adaptable.

Effective coöperation between the industry and the Labor Exchanges would be another very important factor, and would also be of invaluable assistance during the period of demobilization.

3. *Disabled Soldiers*

To regulate the employment of partially disabled soldiers and to ensure that the pensions granted by the Nation shall not become the means of reducing the standard rates of wages.

I believe that unless this problem is taken in hand scientifically it will produce a vast amount of preventable ill-feeling and conflict,

and this view has been invariably confirmed by the numerous Trade Union leaders with whom I have come into contact. It is the kind of problem that can easily be settled by the goodwill of the parties concerned, but it is quite insoluble by tug of war.

The question of training, although only a temporary problem, presents possibilities of useful service in coöperation with the War Pensions, etc., Committees.

4. *Technical Training and Research*

To arrange for adequate technical training for the members of the industry; the reform of "blind alley" Occupations; the improvement of processes, design, and standards of workmanship; research, apprenticeship, and the regulation of the conditions of entry into the trade.

This is certainly one of the most promising and necessary departments of the service, and one which is at present almost untouched, so far as many industrial organizations are concerned.

In this connection it is interesting to note that the recommendations of the Workers' Educational Association, on Technical Education, include a precisely similar proposal, namely:—

"(d) That technical schools should be administered by a body on which employers and workpeople chosen by their respective trade organizations should be equally represented, together with members of the Education Authority, and that there should be special advisory committees of employers and workpeople for special trades."

The "regulation of conditions of entry" will naturally raise very large questions of Industrial organization, both for Employers and for Operatives, and amongst these questions the problem of non-union labor will certainly take a prominent place.

5. *Continuous and Progressive Improvement*

To provide a clearing house for ideas, and to investigate, in conjunction with experts, all suggested lines of improvement, including, for example, such questions as:—

Industrial control and status of Labor.
Scientific management and increase of output.
Welfare methods and schemes of education.
Closer association between industry and art.
The problems of women in industry.
Industrial health and physical training.
Prevention of accidents, etc.

Here is another department full of wonderful possibilities of service. Hitherto our leaders of progressive thought have had to be content to launch their ideas through such media as the Fabian Society, the periodical reviews, the publishers and the general press. In this way public opinion is undoubtedly developed, but the noticeable effect upon the general conduct of industry is comparatively small. But now, for the first time in industrial history, we should have our great staple industries setting up "Improvements Committees" and inviting these experts to communicate their ideas direct to them—for full discussion and investigation. It would be difficult to overrate the educational advantages of such a method, both to industry and to experts, and it would certainly do much to foster the conception of industry as public service, upon the full recognition of which fact so much depends.

6. *Publicity*

To issue authoritative information upon all matters connected with the work of the Industrial Parliament and the progress of the industry generally.

The reports of the various committees would naturally be published in all the trade journals and the general press, and the Industrial Parliament would thus be enabled to estimate the trend of public opinion thereon before taking its final decisions.

In this way the public status of trade journals would speedily be raised to a very high level—as the recognized organs of the new industrial politics. But the publicity of the Press alone would not be sufficient to enable the Industrial Parliament to render the fullest service of which it might be capable. It would certainly be advisable to establish Joint District Boards, similar in constitution to the Industrial Parliament itself, in the various centers of the Industry, for discussion, criticism and suggestion. In this way we should secure full consideration for the special circumstances and conditions of localities, and bring to bear upon the various problems the valuable experience and advice of the different districts. A further very useful function would be discharged by the Works Committees, already suggested in many quarters, to secure the cooperation of Management and Labor in the discussion and improvement of working methods and conditions. They would very naturally include on their agenda the careful consideration of the various proposals as they came before the Industrial Parliament and the District Boards, and would be able to furnish useful information, criticisms, and even to originate suggestions of great value.

Upon the general structure of the Industrial Parliament little need be said here. The details would naturally vary with different industries. But a word is necessary on the subject of the Chairman, as his position presents unique possibilities of invaluable service. His would be the duty of keeping the discussions constantly focussed upon their objective, the continuous improvement of the industrial service. His capacity would, however, be purely advisory and he would have no casting vote.

This provision would effectively prevent the assembly from becoming merely an enlarged court of arbitration or conciliation, and would do much to produce that atmosphere of mutual confidence without which the scheme cannot succeed. This matter of real confidence is so important that it might be advisable to safeguard it even further, at any rate in the early stages, by stipulating that the number of representatives of Management and Labor voting upon any measure should *always* be equal. This arrangement would not produce deadlock—except perhaps on very rare occasions. It already exists in the rules of the Builders' Conciliation Boards, and is one of the most valuable features of the conciliation scheme. I believe that the Industrial Parliament would divide into two main groups—those who wished to go forward very rapidly, and those who preferred more cautious progress—but I am convinced that the line of cleavage would be new and that we should find employers and operatives coöperating on both sides of the House instead of in two hostile camps as heretofore.

The tangible results of the work of the Industrial Parliament might take shape in the establishment and progressive development of two codes of regulations or working arrangements, one compulsory, the other voluntary.

THE COMPULSORY CODE

In the first instance, at any rate, this compulsory code would not be a very extensive one. It would merely regulate, for example:—

The minimum wage,
The normal day,
Overtime conditions,
Traveling and lodging allowances,
Terms of notice on discharge,

and any other matters that tend to standardize industrial practice and upon which it would be possible to obtain an overwhelming measure of agreement.

But, in order to make it compulsory, I suggested that the In-

dustrial Parliament should be empowered to submit these agreed measures for approval by the Board of Trade or a Ministry of Industry, and that when sanctioned in this way they should be enforced by law throughout the whole of the industry. This principle, of course, is not new. It came to the front for the first time in this country on the occasion of the Transport Strike of 1912, when Mr. Ramsay Macdonald embodied it in "a Bill to make agreements come to voluntarily between employers and workmen in the Port of London legally enforceable on the whole trade."

The same proposal appears in the report of the Industrial Council under Sir George Askwith, but with anti-strike conditions attached, which, if applied to the Industrial Parliament scheme, would tend to reduce confidence and are therefore inadvisable. A very similar suggestion is also made in the report to the British Association, of Professor Kirkaldy's Committee on Industrial Unrest (*Labor Finance and the War, p.* 43). I believe it would be a most valuable innovation, for, by fixing a definite *datum line* of minimum standards throughout the whole of an industry, it would clear the road for the progressive employers in a way that has never yet been even approached.

The proposal is, however, not without its dangers, and the granting of Government sanction would have to be subject to adequate safeguards for the interests of the consumers.

The proper Government Department upon which this important duty would devolve might very well be found in the newly constituted Ministry of Labor. But as the great aim of the Industrial Parliament scheme is the realization of the organic unity of industry as a public service, I would suggest that the title Ministry of Labor might with great advantage be expanded to Ministry of Industry as conveying the broader and newer conception. The old title preserves the two hostile camps—the new one implies their coöperation for a common purpose.

THE VOLUNTARY CODE

The suggestion is that it should always be open to the Industrial Parliament to accept for the voluntary code proposals that might be quite impossible or Utopian for the compulsory code. And it is in this principle of organized voluntaryism that I believe we may find the germ of true industrial advance. It will be remembered that the Improvements Committee forms a clearing house for the investigation and presentation of ideas and suggestions formulated by the best thinkers of the world. Some of these schemes would be

rejected by the Industrial Parliament and some might be accepted for the voluntary code. But the fact that they were proposed for voluntary adoption only would transform the whole tone of the discussions.

It would enable the Parliament, the press and public opinion at large, to discuss important lines of advance, entirely on their merits and without ulterior motives, and would tend gradually to create a general readiness to think out problems in terms of humanity as well as in terms of materialism.

The educational advantages of such a system are so obvious that I need not enlarge upon them, except to point out that they would undoubtedly stimulate progressive thought upon all questions of social development, and this would still further accelerate the rate of progress.

If the Improvements Committee and the Voluntary Code form the first two stages on the road of industrial advance, the third stage is the Experimental Year of the progressive employer—undertaken *voluntarily* with full publicity and published results. The progressive employer is the backbone of the scheme. If he is a mere figment of the imagination, then the scheme is largely valueless, but if he *does* exist (and we know he does), then there seems literally no limit to its possibilities. Conceptions of the team spirit in industry and of its organic unity in the public service would gradually cease to be Utopian dreams, and would assume a definite and concrete shape.

It is sometimes held that industrial progress must in the long run be limited by the standards of the public or social conscience of the nation at large—but it seems reasonable to hope that the operation of the voluntary code might promote the development of an active *industrial* conscience which would recognize no such restrictions, but would actually lead the way.

At any rate, I think we might claim with confidence, that many employers endowed with public spirit and enthusiasm, would adopt voluntarily, for experiment, proposals that they would certainly have felt bound to reject, when accompanied by the menace of coercion. That is the theory that underlies the whole conception, and I could support it by actual instances from my own experience.

B.—The Congestion of the Parliamentary Machine

Investigation into the needs of the industrial situation has convinced me of the enormous advantages, both moral and material, of Industrial Self-Government; but I believe my argument will be

still further strengthened by a short review of the Parliamentary situation itself.

Even before the war the difficulties arising from the congestion of Parliament were attracting very widespread attention, and therefore need no elaboration by me.

But as the end of the war approaches these difficulties will be increased a hundredfold by the stupendous problems of The Reconstruction—International, Imperial, National, Industrial and Social.

"Every one of these matters will be urgent, yet every one of them will have to be dealt with by one Cabinet and one Parliament. Is it not inevitable that there will be serious delays and inefficiency and hurry in the effort to avoid delay? . . . It requires, indeed, no elaboration to show that we may be far nearer a real breakdown in our Governmental machinery than any one supposes." (*Round Table, December,* 1916.)

There is probably no department of our national life in which wise progressive legislation is more urgently needed than it is in the industrial sphere to-day.

Yet there seem to be peculiarities about industrial legislation that render it particularly difficult of accomplishment, and, when accomplished, deprive it of many of its intended advantages. It is, of course, controversial to an astonishing degree. The somewhat automatic opposition of the party system is augmented by the watchfulness of the collectivists, the syndicalists, the individualists and others, all anxious to defend or advance their own particular points of view. And in addition to this there is always the strenuous opposition of the industrial interests affected. A well-known association of employers definitely includes this as one of its objects, as the following quotation will show: "Oppressive legislation, . . . and other menaces to the welfare of our industry, can only be effectually dealt with by organized and concerted effort." This leads me to suggest that industrial legislation, imposed from without, may create, like coercion, a kind of resistance that otherwise might never have arisen. It would seem possible, therefore, that it, too, is a wrong principle and can only produce the minimum of result with the maximum of friction.

If this be true, then the plan of industrial self-government stands out very clearly as a promising solution.

Applied separately to each of our staple industries, it would seem to offer the following administrative advantages:—

(1) It would ensure that every industrial problem would be considered in the first place from the particular point of view of the industry itself, and this would certainly help

to develop progressive traditions of public service.

(2) It would mean that the regulations would be drawn up by the parties who would have to apply them, and in this way the particular form of resistance mentioned above would never arise.

(3) It would withdraw from the House of Commons altogether an enormous mass of intricate and highly controversial industrial legislation and would set it free for the larger problems, national, imperial and international.

It would hardly be wise to allow the Industrial Parliaments to take over the administration of any existing industrial legislation (e.g., factory acts, etc.) until they had shown themselves to be fitted for such duties. Their capacity would have to be judged by the results of the new legislation they produced.

But it is worthy of notice that this particular type of administrative devolution is already in accord with advanced Labor views. Mr. G. D. H. Cole says:—

"The State is in the dilemma of fearing to nationalize, because it mistrusts its own capacity, and yet of being wholly unable to interfere successfully without nationalizing, as well as utterly impotent to refrain from interference. . . . It must be set free from the impossible task of regulating all the details of industry; it must be liberated for the work that is worthy of the national dignity, and it must leave to those who alone are competent to deal with them the particular tasks of industrial organization and management. Devolution is the order of the day, and we must have devolution not merely by localities, but also by purposes. Even if the State cannot be wholly detached from industry, the problem is to free it as far as possible, and not, as some people seem to think, to concentrate all possible tasks in its hands. . . . "Responsibility is the best teacher of self-reliance."

I would add, also, that it is the best safeguard against the improper use of power.

Having now stated the case for industrial self-government, as it has appeared to me, let me conclude with a brief account of the reception of the scheme by the organized Labor of the building industry.

THE RECEPTION OF THE SCHEME

The reply of the London Committee of the Carpenters and Joiners was immediate and favorable. They strongly supported the proposal and sent it forward to their National Executive in Manchester. On the invitation of the National Executive I attended a special conference held in London in April, 1916, at which

the General Council of the Carpenters and Joiners were also represented.

The discussion was frankly favorable, and there was no trace whatever of the old hostility and suspicion. By unanimous vote they decided to support the proposal and to send it forward to the National Associated Building Trades Council—a body set up in 1914 for the purpose of coördinating, and eventually of federating into one great Industrial Union, the principal Trade Unions in the building industry.

It came before this Council in June, but full discussion was prevented by lack of time. It was, however, printed and circulated to the twelve affiliated unions, and was also published in the Trade Union journals. The Council then decided to hold a full day's conference on the proposal at Liverpool in October, and as a preliminary to this, a small committee, of which I was a member, met in Manchester in September to prepare the scheme in more detailed form for discussion point by point.

After a full day's discussion at Liverpool, the Council, of twenty-two delegates, representing the national executives of the principal Trade Unions in the industry, decided, without a single dissentient, to approve the scheme in principle.

It was then referred to the national executives for consideration before being forwarded to the Employers' Federation, and was again printed in full in the Trade Union journals.

The Council reassembled in Manchester at the end of November, and the replies of the executives being favorable, they resolved, again by unanimous vote, to lay the scheme before the National Federation of Building Trades Employers of Great Britain and Ireland, and to ask for a preliminary conference upon it.

Four delegates were appointed to collaborate with me in drawing up a special explanatory statement to accompany the scheme. We met in Manchester in December and drew up the document which forms an appendix to this memorandum.

TWO PROBLEMS

1. *The Electoral System*

If the Industrial Parliaments are to render their full service, it is essential that the electoral system upon which they are set up shall be such as will command general respect and confidence, but at the same time it must be simple and inexpensive in its working.

In its simplest form, the national organizations both of employers and employed would each furnish a given number of representatives,

choosing the best that could be found, and drawing them from the Office and the Bench, as well as from the Board Room and the Trade Union headquarters. If this method proved to be too exclusive, the country might be divided into districts, each having a Joint District Board to which members would be elected by ballot by the local Trade Unions and Employers' Associations respectively.

Each District Board might then send two of its members (one for Management and one for Labor) to the National Industrial Parliament, and thus create a very useful link between the central and the local bodies.

2. *The Safeguarding of the Consumers*

It is probable that the establishment of Industrial Parliaments on the lines suggested would greatly stimulate the existing tendency towards the amalgamation of businesses into larger and larger concerns, in order to eliminate unnecessary duplication and wasteful competition.

This might sometimes lead to "joint profiteering" at the expense of the consumers. The danger is, of course, not new, but exists already, and may easily spread. It can, however, be controlled in various ways; for instance:—

(a) By the powers of veto vested in the Ministry of Industry.
(b) By special taxation.
(c) By the rapid development of a real conception of industry as a great public service.

The true road of advance would seem to lie mainly along the line of the last suggestion—the frank acceptance of an existing tendency and its encouragement in the right direction.

Possibly the State could grant facilities for the rapid trustification of industries, but make these facilities conditional upon the adoption of some definite rules of public service. In the building industry I believe there will be found to be great possibilities of wise development on these lines.

Both this and other dangers might ultimately be removed by the establishment of a Central Congress of Industry, containing representatives of each of the separate Industrial Parliaments, together with representatives of the State, the municipalities and others, and acting as a Second Chamber for the consideration and sanction of all industrial legislation.

The relation of such a body to the Ministry of Industry and to the Government would, however, require very careful definition.

CONCLUSION

There is one very important service that the State, through its appropriate Department, could undoubtedly perform. It could set up a central Clearing House for the reception and dissemination of information upon Industrial progress.

In this way it would enable each of our Industries to draw upon the experience of the others, to profit by their successes, and to avoid, if possible, the repetition of mistakes.

To secure harmony of interest between Management and Labor has been described as "the master problem of the modern industrial state," and the favorable reception of the Industrial Parliament scheme by a group of Trade Union leaders in one of our greatest industries must not be allowed to blind us to the immense difficulties that still remain. These difficulties demand from both sides a new conception of Industry as a public service, a clear understanding of their respective functions in the process of production, a certain daring in experiment and a willingness to make concessions, if need be, for the common good. These are great demands, but the emergency and the opportunity are also great. I believe there is no problem that is insoluble by scientific organization backed up by goodwill, and that the great need of the moment is a clear lead on the part of one or more of our staple industries. If we can rise to this we shall lay the foundation of another Industrial Revolution full of great possibilities of service.

APPENDIX

PROPOSAL FOR A BUILDER'S NATIONAL INDUSTRIAL PARLIAMENT

A Memorandum addressed to The National Federation of Building Trades Employers of Great Britain and Ireland, by The National Associated Building Trades Council, representing:—

The Amalgamated Society of Carpenters and Joiners.
The General Union of Carpenters and Joiners.
The Society of Operative Stone Masons.
The Amalgamated Society of Woodcutting Machinists.
The Operative Bricklayers' Society.
The Manchester Order of Bricklayers.
The National Operative Painters' Society.
The Amalgamated Slaters and Tilers' Society.
The Electrical Trades Union.
The National Amalgamated Furnishing Trades Association.

The National Association of Builders' Laborers.
The United Builders' Laborers' Society.

By direction of a Special Meeting of the Council held at Manchester, on Tuesday, November 28th, 1916, and in accordance with the instructions of the National Executives affiliated.

INTRODUCTION

This Memorandum is the outcome and expression of a desire on the part of the leaders of organized Labor in the Building Industry to render their full share of service towards the creation of a new and better industrial order.

By general consent, the old system has proved itself unworthy, and the reasons for its failure are not far to seek. From the days of the industrial revolution the relations between employers and employed have been based upon antagonism, coercion, and resistance.

Throughout the whole of the civilized world the story is the same. The parallel rise of Trade Unions and Employers' Associations in mutual opposition has reached a point where it is generally recognized that the "normal condition of the world of industry is one of suppressed war."

Under such a system many a forward move on the part of Labor towards improved conditions is opposed almost as a matter of duty by the Employers' Associations, and, conversely, many improvements in the direction of increased production and efficiency are countered by the restrictive regulations of the Trade Unions; both sides acting, as they believe, in the interests of their members.

The two sides rarely meet except to make demands of one another or to compromise conflicting claims, and negotiations are inevitably carried on as between two hostile bodies. In this way great powers of leadership and willing service are diverted from constructive work into the sterile fields of largely useless controversy.

Both employers and employed have been the unwilling victims of a system of antagonism that has organized industry on the lines of a tug-of-war and permeated the whole national life with sectional habits of thought and outlook. Wherever coercion has been applied, by one side against the other, it has called forth a resistance that otherwise might never have arisen, and has led to much sterility and waste.

Whilst the total elimination of such conflicts may be quite impossible, the hope of the future undoubtedly lies in the intimate and continuous association of both Management and Labor, not for the negative purpose of adjusting differences, but for the positive purpose of promoting the progressive improvement of their in-

dustrial service, from which alone the national prosperity can be derived.

Industrial peace must come, not as a result of the balance of power, with a supreme Court of Appeal in the background; it must arise as the inevitable by-product of mutual confidence, real justice, constructive good-will. Industry needs no truce, no compulsory arbitration, no provisions for postponement of disputes.

What it needs is confidence and a courageous forward movement, supported by the constructive genius of both sides in common council. No one engaged in constructive work can fail to respond to the tremendous call of the big job, and the task to be faced to-day is the greatest problem in social engineering that the world has ever seen.

It is believed that the common interests of industry will be found to be wider and more fundamental than those which are still, admittedly, opposed; and it is upon the broad basis of these common interests that the fabric of the new industrial order may be confidently raised.

It is willingly acknowledged that this community of interest is already being recognized by the Employers' Federation. The composition of the National Housing and Town Planning Council, the new apprenticeship proposals, the various joint deputations to the Government departments are all evidence of this.

It appears, therefore, to be eminently desirable that a proposal involving a great development of this principle should receive full consideration; and, believing that the appropriate time has now arrived, the National Associated Building Trades Council submits the following scheme to the National Federation of Building Trades Employers of Great Britain and Ireland as a basis for preliminary discussion:—

A National Industrial Parliament for the Building Industry

ARGUMENT

The interest of employers and employed are in many respects opposed; but they have a common interest in promoting the efficiency and status of the service in which they are engaged and in advancing the well-being of its personnel.

PROPOSAL

It is proposed that there should be set up, for the Building Industry, a National Industrial Parliament, representative of the Trade Unions and the Employers' Associations, which would focus their combined energies upon the continuous and progressive improvement of the industry.

NAME

The proposed body would be called the Builders' National Industrial Parliament of Great Britain and Ireland.

OBJECTS

The objects of the Parliament would be to promote the continuous and progressive improvement of the industry, to realize its organic unity as a great national service, and to advance the well-being and status of all connected with it.

PROGRAM

The Parliament would not concern itself with the adjustment of differences or the settlement of disputes. Means already exist for conducting such negotiations and settling such issues. The function of the Parliament would be constructive, and nothing but constructive.

The agenda would be determined from time to time according to circumstances as they arose, and would naturally include such matters as the following:—

1. Regularization of Wages.—The provision of a graduated scale of minimum rates designed to maintain *real* wages as nearly as possible on a level throughout the country. Subsequent advances to be on a national basis.

2. Prevention of Unemployment.—(a) To acquire a fuller participation in the control of the Board of Trade Labor Exchanges, and to supplement their work by improved organization special to the building trade for the decasualization of labor, and (b) to minimize the fluctuation of trade by intelligent anticipation and the augmentation of demand in slack periods, in coöperation with the National Housing and Town Planning Council and the Local Government Board.

3. Employment of Partially Disabled Soldiers.—To regulate the employment of partially disabled soldiers and to ensure that the pensions granted by the nation shall not become the means of reducing the standard rate of wages.

4. Technical Training and Research.—To arrange for adequate technical training for the members of the industry, the improvement of processes, design and standards of workmanship, apprenticeship, research, and the regulation of the conditions of entry into the trade.

5. Publicity.—To issue authoritative information upon all matters whereon it is deemed desirable that leaders of public opinion, the Press, and the general public should have exact information.

6. Continuous and Progressive Improvement.—To provide a Clearing House for ideas, and to investigate, in conjunction with experts, every suggested line of improvement, including, for example, such questions as:—

Industrial Control and Status of Labor.

Scientific Management and Increase of Output.

Welfare Methods.

Closer association between commercial and aesthetic requirements.

METHOD

The Parliament would set up Committees of Inquiry (with power to coöpt experts) to investigate and report on each of the foregoing matters, and would deal with their recommendations as and when presented. All proposals before the Parliament would be fully ventilated and discussed through the medium of Joint District Boards, Works Committees, the Trade Papers and the general Press, in order that the opinion of the members of the building trade and of the general public thereon might be accurately gaged before final decisions were taken.

RESULT

The result would be the progressive development of two codes:—

(a) *A compulsory code,* probably involving legal sanction of agreed minimum standards; and

(b) *A voluntary code,* built up from the recommendations of the improvements Committee for the voluntary, and perhaps experimental, adoption of progressive employers.

It would thus embody all proposals of which the principle was generally approved, but for which it was not yet possible or advisable to ask for compulsory powers. It would greatly stimulate the advance of public opinion on matters of industrial and social improvement.

LEGAL SANCTION FOR COMPULSORY CODE

This might be accomplished by a special Act of Parliament, giving power to the Board of Trade, or a Ministry of Industry, to ratify the decisions of the Industrial Parliament, and apply them to the whole of the industry, subject to adequate safeguards for the interests of consumers.

STATUS OF INDUSTRIAL PARLIAMENT

There is at present no recognized body with which the Government can communicate in regard to matters concerning the building

industry as a whole—employers and employed. The Parliament would exactly meet this need, and would become the mouthpiece and executive of the industry as a whole.

Suggested Constitution

MEMBERSHIP

Pending the establishment of more elaborate electoral machinery, it is suggested that twenty members should be appointed by the National Federation of Building Trades Employers of Great Britain and Ireland, and twenty members by the National Associated Building Trades Council.

It might be advisable that the representatives of the above organizations should be appointed in a manner to ensure, on the one hand, the inclusion of actual operatives in addition to trade-union officials, and, on the other hand, of representatives of the managing staffs as well as the actual employers. Either side would be at liberty to change its representatives to suit its convenience.

CHAIRMAN

To be chosen by ballot by the whole assembly. To be independent and advisory only, and to have no casting vote.

SECRETARY

The routine work of the Parliament would largely devolve upon the secretary, who should be an impartial salaried administrator of proved experience and capacity.

MEETINGS

The Parliament should meet at such times and intervals as would allow of members still devoting part of their time to their ordinary occupations.

REMUNERATION OF MEMBERS

This would be restricted to the refund of expenses and compensation for loss of earnings. Financial provision for this would be arranged by each of the two organizations independently.

VOTING

In order to secure a basis of absolute confidence, it is suggested that rules be drawn up to ensure that the number of employers' representatives and operatives' representatives voting upon a measure shall always be equal.

Suggested Auxiliary Assemblies

JOINT DISTRICT BOARDS

These would be set up by local units of the two organizations for the discussion of the proposals of the Industrial Parliament and the furnishing of local facts and statistics as required. They would also perform a valuable service by preparing and forwarding suggestions for consideration.

WORKS COMMITTEES

These would be small groups representing Management and Labor, set up for the same purpose in particular shops.

Conclusion

The scheme, briefly outlined above, strikes out a new line of administrative devolution, namely, devolution by occupation as compared with devolution by geographical area, as in the case of the County Councils.

It represents, in fact, the distinctively British Imperial tradition of justice and self-government as applied to industry, and stands out clearly against the rival industrial systems of which so much is heard.

And it will have this important result. Hitherto industrial legislation has always been imposed from without, and has encountered strenuous opposition on the part of organizations concerned to defend what they held to be their interests.

Now the process would be reversed. The industry itself would first agree on its conditions and would then submit them to the Board of Trade for approval and sanction. In this way the House of Commons would be relieved of an immense mass of highly controversial work and set free for the larger National, Imperial and International problems.

Nor is this the only advantage that would arise. The spectacle of organized Management and Labor, uniting their constructive energies upon a great program of reorganization and advance, might transform the whole atmosphere of our industrial life.

The increase in efficiency and output consequent upon the substitution of constructive coöperation for the old antagonism and suspicion would be very great. But the change would bring even greater benefits than this. It would raise the whole status of the industry and give to its members a new pride in their work as a splendid public service. It would tend to break down the barriers

that have so long confined and impoverished the national life and would promote the development of a real team spirit.

The Building Industry is one of the largest and most important of the staple trades. If it will give a united lead with a constructive proposal on the general lines suggested, we believe that its example will be of great service to our country as she faces the immense problems that confront her at this time.

Signed on behalf of the National Associated Building Trades Council,

S. HUNTER, Chairman.
J. PARSONAGE, Secretary.

THE INDUSTRIAL COUNCIL FOR THE BUILDING INDUSTRY

(Building Trades Parliament.)

Established 29th May, 1918

CONSTITUTION AND RULES ADOPTED 1st AUGUST, 1918

MINISTRY OF LABOR,

MONTAGU HOUSE, WHITEHALL,

LONDON, S. W. I.

12th August, 1918.

Sir,

I am directed by the Minister of Labor to refer to your letter of 14th June, making application for official recognition for the Industrial Council for the Building Industry, and to state that the Minister is prepared to give such recognition, and agrees to the insertion of clause 23 of the Constitution of the Joint Industrial Council dealing with such recognition.

I am, Sir,
Your obedient Servant,
D. J. SHACKLETON.

A. G. WHITE, ESQ.,
Joint Secretary,
Industrial Council for the Building Industry,
48 Bedford Square, W. C. 1.

Preface

This Council is the outcome and expression of a desire on the part of organized Employers and Operatives in the Building Industry to render their full share of service towards the creation of a new and better industrial order.

By general consent, the old system has proved itself unworthy, and the reasons for its failure are not far to seek. From the days of the industrial revolution the relations between employers and employed have been based upon antagonism, coercion, and resistance.

Throughout the whole of the civilized world the story is the same. The parallel rise of Trade Unions and Employers' Associations in mutual opposition has reached a point where it is generally recognized that the "normal condition of the world of industry is one of suppressed war."

Under such a system many a forward move on the part of Labor towards improved conditions is opposed almost as a matter of duty by the Employers' Associations, and, conversely, many improvements in the direction of increased production and efficiency are countered by the restrictive regulations of the Trade Unions; both sides acting, as they believe, in the interests of their members.

The two sides rarely meet except to make demands of one another or to compromise conflicting claims, and negotiations are inevitably carried on as between two hostile bodies. In this way great powers of leadership and willing service are diverted from constructive work into the sterile fields of largely useless controversy.

Both employers and employed have been the unwilling victims of a system of antagonism that has organized industry on the lines of a tug-of-war, and permeated the whole national life with sectional habits of thought and outlook. Wherever coercion has been applied, by one side against the other, it has called forth a resistance that otherwise might never have arisen, and has led to much sterility and waste.

Whilst the total elimination of such conflict may be quite impossible, the hope of the future undoubtedly lies in the intimate and continuous association of both Management and Labor, not for the negative purpose of adjusting differences, but for the positive purpose of promoting the progressive improvement of their industrial service, from which alone the national prosperity can be derived.

Industrial peace must come, not as a result of the balance of power, with a supreme Court of Appeal in the background; it must arise as the inevitable by-product of mutual confidence, real jus-

tice, constructive goodwill. Industry needs no truce, no compulsory arbitration, no provisions for postponement of disputes.

What it needs is confidence and a courageous forward movement, supported by the constructive genius of both sides in common council. No one engaged in constructive work can fail to respond to the tremendous call of the big job, and the task to be faced to-day is the greatest problem in social engineering that the world has ever seen.

It is believed that the common interests of industry will be found to be wider and more fundamental than those which are still, admittedly, opposed; and it is upon the broad basis of these common interests that the fabric of the new industrial order may be confidently raised.

COMPOSITION OF THE COUNCIL

EMPLOYERS.

THE NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS

COMPRISING:

Name.	*Representation.*
Northern Counties Federation	2
Yorkshire Federation	3
North-Western Federation	7
Midland Federation	4
London Federation	8
Eastern Counties Federation	2
Southern Counties Federation	2
South-Western Counties Federation	2
South Wales Federation	2
	—32

THE CONFEDERATION OF NATIONAL ASSOCIATIONS OF BUILDING TRADES SUB-CONTRACTORS

COMPRISING:

National Association of Master House Painters and Decorators in England and Wales	4
National Association of Master Plasterers	3
National Federation of Slate Merchants, Slaters, and Tilers	3

OPERATIVES

THE NATIONAL FEDERATION OF BUILDING TRADES OPERATIVES

COMPRISING:

Name.	*Representation.*
Amalgamated Society of Carpenters, Cabinetmakers, and Joiners	8
General Union of Carpenters and Joiners	4
National Amalgamated Society of Operative House and Ship Painters and Decorators	4
Operative Stonemasons' Society	4
Amalgamated Society of Woodcutting Machinists	4
United Operative Plumbers' and Domestic Engineers' Association of Great Britain and Ireland	4
National Association of Operative Plasterers	4
National Association of Builders' Laborers	4
Operative Bricklayers' Society	3
United Builders' Laborers' Union	3
Manchester Unity of Opera-	

Institute of Plumbers, Ltd. ..	4
National Association of Master Heating and Domestic Engineers	2
Electrical Contractors' Association	2
London Constructional Engineers' Association	2
	—20
Institute of Builders	4
Scottish National Building Trades Federation	10
	—
	66
	—

tive Bricklayers	2
Amalgamated Slaters and Tilers' Provident Society....	2
Electrical Trades Union	2
National Association of Operative Heating and Domestic Engineers	2
National Union of General Workers (Building Trade Section)	2
United Order of General Laborers of London	2
United Builders' Laborers' and General Laborers' Union	2
	—56
Scottish Operative Unions...	10
	—
	66
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THE
INDUSTRIAL COUNCIL FOR THE BUILDING INDUSTRY
(Building Trades Parliament)

CONSTITUTION AND RULES

Adopted at a Meeting of the Council held in Birmingham, 1st August, 1918

NAME

1. The name shall be The Industrial Council for the Building Industry (Building Trades Parliament), hereinafter referred to as the Council.

OBJECTS

2. The Council is established to secure the largest possible measure of joint action between employers and workpeople for the development of the industry as a part of national life, and for the improvement of the conditions of all engaged in that industry.

It will be open to the Council to take any action that falls within the scope of this general definition. More specific objects will be the following:—

(*a*) To recommend means for securing that industrial conditions affecting employers and operatives, or the relations between them, shall be systematically reviewed by those concerned, with a view to their improvement.

(*b*) To consider, discuss, and formulate opinion upon any proposals which proffer to those engaged in the industry the means of attaining improved conditions and a higher standard of life, and involve the enlistment of their active and continuous coöperation in the development of the industry, and to make recommendations thereon, including such questions as measures for—

(1) Regularizing production and employment.
(2) The provision of a graduated scale of minimum rates designed to maintain *real* wages as nearly as possible on a level throughout the country.
(3) Minimizing the fluctuations of trade by intelligent anticipation and the augmentation of demand in slack periods.
(4) Scientific management and reduction of costs.
(5) Welfare methods.
(6) Closer association between commercial and æsthetic requirements.
(7) The inclusion of all employers and workpeople in their respective associations.
(8) The revision and improvement of existing machinery for the settlement of differences between different sections of the industry, or for the provision of such machinery where non-existent, with the object of securing the speedy settlement of difficulties.
(9) The better utilization of the practical knowledge and experience of those engaged in the industry.
(10) Securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.
(11) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing to all engaged in the industry a share in the increased prosperity of the industry.
(12) Ensuring to the workpeople the greatest possible security of earnings and employment.

(13) Dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates.

(*c*) To collect and circulate statistics and information on matters appertaining to the industry.

(*d*) To promote research and the study and improvement of processes, design, and standards and methods of workmanship, with a view of perfecting the products of the industry.

(*e*) To provide facilities for the full consideration and utilization of inventions and improvements in machinery or methods, and for adequately safeguarding the rights of the designers or inventors thereof; and to secure that the benefits, financial or otherwise, arising therefrom shall be equitably apportioned among the designers or inventors, the proprietors or lessees, and the operators thereof.

(*f*) The supervision of entry into, and training for, the industry, and coöperation with the educational authorities in arranging education in all its branches for the industry.

(*g*) The issue to the Press of authoritative statements upon matters affecting the industry of general interest to the community.

(*h*) Representation of the needs and opinions of the industry to Government Departments and Local Authorities.

(*i*) The consideration of any other matters that may be referred to it by the Government or any Government Department.

(*j*) Coöperation with the Joint Industrial Councils of other industries to deal with problems of common interest.

(*k*) To provide, as far as practicable, that important proposals affecting the industry shall be fully ventilated and discussed through the medium of Committees of Enquiry (with power to coöpt experts), Joint District Boards, Works Committees, the Trade Papers, and the general Press: in order that the opinion of members of the industry and of the general public thereon may be accurately gaged before definite decisions are taken.

CONSTITUTION

3. The Council shall consist of 132 members, appointed as to one-half by Associations or Federations of Employers and as to the other half by Trade Unions or Federations of Operatives.

Until otherwise determined in the manner hereinafter provided, the composition of the Council shall be as set out.

4. Each representative of the said Associations, Unions, or Federations shall remain the representative for a minimum period of twelve months and thereafter until his successor is appointed by the body responsible for his election.

Casual vacancies shall be filled by the Union, Association, or Federation concerned, which shall appoint a member to sit until the end of the current year.

5. The appointments for the ensuing year shall be made prior to the 30th June each year, and the names and addresses of those appointed shall be sent to the Secretaries of the Council on or before that date.

6. Any Trades Union, Association, or Federation directly affiliated, wishing to retire from this Council, shall give six calendar months' notice in writing to the Secretaries, such notice to expire on the 30th June in any year, pay up all arrears (if any), and on retiring shall cease to have any interest in or claim on the funds of the Council.

7. The Council shall meet quarterly or oftener if required. The meetings of the Council may be held in different industrial centers, as may be from time to time determined or in response to invitations it may receive. The meeting next ensuing after the 30th June shall be the Annual Meeting, and the first Annual Meeting shall take place in 1918. Fourteen days' notice to be given.

8. At the Annual Meeting there shall be elected for the ensuing twelve months from among the members of Council the following officers, viz.:—

A Chairman, a Vice-Chairman, a Treasurer, together with an Administrative Committee consisting of ten Employer and ten Operative representatives.

9. The Council shall be empowered to maintain a Secretary, or Secretaries, and such clerical staff as it may think fit. Provided that the Secretaries appointed at the inaugural meeting held in May, 1918, remain in office until the Annual Meeting in 1919, that prior thereto the Administrative Committee prepare a report for presentation at the Annual Meeting dealing with the appointment and remuneration of Secretaries, with such recommendations in regard thereto as it may think fit, so that the Council may deliberate and decide upon any remuneration for services rendered, and upon the further arrangements to be adopted in regard to the appointment and remuneration of Secretaries. Provided also that the appointment of the Administrative Committee made at the said inaugural meeting be subject to confirmation at the first Annual Meeting.

10. The quorum for the Council shall be thirty representatives present.

The quorum for the Administrative Committee shall be nine representatives present.

Other Committees shall fix their own quorum.

11. A Special Meeting of the Council shall be called within fourteen days of the receipt of a requisition, duly signed, from not less than twenty members of the Council or from the Administrative Committee.

The matters to be discussed at such meeting shall be stated upon the notice summoning it.

12. The voting both in Council and in Committees shall be by show of hands or otherwise, as the Council or Committees may determine.

13. The Council may delegate special powers to any Committee it appoints.

The Council may appoint such standing or sectional Committees as may be necessary, provided that questions affecting only a particular Trade shall be relegated to a Committee composed of members of the Council who are also representatives of such Trade. It shall also have the power to appoint other Committees for special purposes. The reports of all Committees shall be submitted to the Council for confirmation, except where special powers have been delegated to a Committee.

14. The Council shall have the power of appointing on Committees, or of allowing Committees to coöpt, such persons of special knowledge, not being members of the Council, as may serve the special purposes of the Council, provided that, so far as the Administrative Committee is concerned,—

A. Employers and Operatives shall be equally represented;

B. Any appointed or coöpted members shall serve only in a consultative capacity.

15. The Administrative Committee shall meet as often as required, at the discretion of the Chairman, and shall deal with all business arising between the meetings of the Council.

16. To avoid unnecessary traveling, Committee meetings may be held at the most convenient offices of any of the organizations which are represented on the Council, subject to their rooms not being engaged otherwise when desired by the Committee for a meeting, and provided that the said organizations afford the requisite facilities free of charge.

17. The Administrative Committee shall control the work of the Secretary or Secretaries, and shall have power to appoint Sub-Committees to deal with special subjects, also to authorize payment of current expenses subject to such direction as the Council may give from time to time.

18. The Hon. Treasurer shall render to the Council, whenever

called upon to do so, an account of all sums received and paid, and shall present accounts at each Annual Meeting.

All cheques for withdrawal of money from the Bank shall be signed by the Chairman and the Hon. Treasurer.

19. The accounts shall be audited by a duly appointed Chartered or Incorporated Accountant.

FINANCE

20. The traveling and other expenses of representatives attending Meetings of the Council are to be borne by the Trade Unions, Associations, or Federations which appoint them, according to such regulations as the appointing bodies shall determine.

21. Any other expenses of the Council are to be borne as to one-half by the Employer Organizations and as to one-half by the Operative Organizations directly affiliated to the Council.

The allocation of each half share among the respective Employer or Operative Organizations to be in proportion to their respective representation, or in such other proportion as they may by mutual agreement determine.

Provided that upon the election of the first Council, the sum of £1000 be placed at the disposal of the Council, made up of contributions from the respective organizations, calculated as aforesaid, to cover its expenses for the first year ending 30th June, 1919, and that at the end of the year the Council make up its accounts and ascertain the amount required to make up the difference spent during the year, and that it make a presentment to the respective organizations, showing the share due from them, which shall then become due and payable.

The Council is hereby empowered to make such payments as it thinks fit, but within the means thus placed at its disposal, for the purpose of defraying the cost of carrying on its work.

The expenses of the Members of Committees appointed by the Council to be defrayed by the Council according to such scale as it may from time to time determine.

PUBLICITY

22. The Council shall keep minutes of its proceedings and shall give such publicity to its proceedings as many be practicable and desirable. It may avail itself of such facilities as may be afforded to it, either by the Press or by any publications issued by any of the organizations represented on the Council.

RELATIONS WITH THE GOVERNMENT

23. The Council is the recognized official standing Consultative Committee to the Government on all questions affecting the industry it represents, and is the normal channel through which the opinion and experience of the Building Industry will be sought on all questions with which the industry is concerned.

REGIONAL COUNCILS

24. The Council shall, as soon as practicable, formulate a scheme for the formation of Regional Councils to be linked up with the Council.

ALTERATIONS OF CONSTITUTION AND RULES

25. Alterations of the foregoing Constitution and Rules may be made at any Special Meeting called for the purpose, or at any Quarterly Meeting, provided three months' notice of the proposed alterations has been duly given prior thereto to the Secretary or Secretaries in writing. On receipt of such notice the proposed amendments shall be at once communicated to the Trade Unions, Associations, and Federations directly affiliated to the Council for their consideration.

STANDING ORDERS GOVERNING PROCEDURE IN DEBATE AT MEETINGS OF THE COUNCIL

CHAIRMANSHIP

1. At every Council Meeting the Chairman for the time being shall occupy the chair. In his absence a Vice-Chairman shall occupy the chair, and failing a Vice-Chairman the members present shall elect some other of their number to act as Chairman for such meeting. The ruling of the Chairman shall be accepted on all questions of order arising at any of the meetings. Any member rising to a point of order, must define what the point of order is, and submit it to the Chairman without discussion. All members addressing the Chair shall do so standing.

LIMITATION OF LENGTH OF SPEECHES

2. Except at the discretion of the Chairman, no member shall speak for more than ten minutes except the member moving a reso-

lution which appears upon the agenda, who shall be allowed twenty minutes. A bell shall be rung by the Chairman two minutes before the time expires. When the time has expired the bell shall be rung a second time, and thereupon the member addressing the Council shall at once resume his seat.

MODE OF VOTING

3. The votes upon all questions shall be taken by a show of hands, except in cases where the Rules of the Council or these orders otherwise direct.

PROPOSITIONS TO BE MOVED AND SECONDED

4. No proposition or amendment shall be voted upon or entertained by the meeting but such as have been moved and seconded and delivered to the Chairman in writing, signed by the mover, and no proposition so received shall be withdrawn unless by leave of the meeting.

RIGHT OF REPLY

5. The mover of a proposition, but not the mover of an amendment, shall have a right of reply, provided always that a member may speak to a point of order, or point of explanation. The proper time for an explanation is at the conclusion of the speech which renders it necessary. By the courtesy of the member in possession of the House such explanation may be given earlier, but no explanation can be given unless the member in possession of the House resumes his seat.

AMENDMENTS

ONLY ONE AMENDMENT AT ONCE

6. When an amendment is moved upon a proposition, no second amendment shall be moved or taken into consideration until the first amendment has been disposed of.

IF AMENDMENT CARRIED, TO BECOME THE QUESTION

7. If a first amendment be carried, it shall displace the original proposition and become itself the question; whereupon any further amendments may be moved in succession as above mentioned.

IF AMENDMENT NEGATIVED, OTHERS MAY BE MOVED

8. If the first amendment be negatived, then others may be moved in succession upon the original question under consideration, but so that only one amendment shall be submitted to the meeting for dis-

cussion at one time; and after the disposal of all amendments, the question shall ultimately be put upon the original or amended proposition, as the case may be, in order that it be passed or negatived as a resolution.

PRECEDENCE FOR A MOTION

9. Any member who has given notice of motion may rise and propose without comment that preeedenee be given to such motion. Such proposition shall be put without debate, and if carried such motion shall have precedence.

MEMBERS NOT TO SPEAK MORE THAN ONCE TO THE SAME MOTION

10. Members shall not speak more than once to the same motion, except the mover of the proposition in reply, which reply shall conclude the discussion, and in such reply he shall not be allowed to introduce any new matter.

REGULATIONS AS TO SPEAKING ON AMENDMENTS

11. On an amendment being moved, no member of the meeting who has spoken on the original question shall speak again thereon until the amendment has been put and has become the amended proposition before the meeting.

DISCUSSION UPON AMENDED PROPOSITIONS

12. When discussion shall arise upon amended propositions, the mover of the amendment which has displaced the original proposition may speak in reply, and so in like manner with respect to any further and displacing amendments.

MOTION THAT THE QUESTION BE NOW PUT

13. During debate any member, who has not spoken in the debate, may propose, without preface, that the question be now put, which the Chairman may accept at his discretion; and if put from the Chair it shall not be considered carried unless supported by two-thirds of the members voting on the occasion.

ADJOURNMENTS

14. A member who has not spoken in the debate may move at any time without a speech either

(*a*) The adjournment of the meeting

or

(*b*) The adjournment of the debate,

which may be accepted by the Chairman at his discretion and then put without debate.

A member may move the suspension of the Standing Orders in order to call attention to a definite matter of urgent importance. It must be supported by not less than two-thirds of the members present. Such debate shall be taken at once. The opener shall be allowed ten minutes, and subsequent speakers five minutes. The opener shall be permitted to reply.

QUESTIONS

15. Questions may be addressed to an officer of the Council, to a member in charge of a motion, or to the Chairman of any Committee.

The Chairman of any meeting may disallow any question.

The member must confine himself merely to asking his question, and the officer, member in charge of a motion, or Chairman of a Committee to simply answering it.

RECORD OF ATTENDANCES

16. A record shall be kept of the summonses for and attendance of members at meetings of the Council and of Committees, and such record shall be presented annually to the Council at its next meeting after 30th June in each year.

STRANGERS

17. Strangers may be admitted to the portion of the hall set apart for their accommodation, on the introduction of a member.

All strangers so admitted must conform to the following rules:—

1. They shall not express any assent or dissent.
2. They shall not indulge in any audible conversation.
3. They shall at all times be seated except while entering or leaving the hall.
4. Any person infringing any of these rules shall be called upon to withdraw, and, if necessary, shall be removed.

APPENDIX I

NATIONAL COUNCIL OF THE POTTERY INDUSTRY

("THE FIRST WHITLEY COUNCIL")

Major F. H. Wedgwood, Chairman
Mr. S. Clowes, J.P., Vice-Chairman

Mr. A. P. Llewellyn, Piccadilly, Tunstall,
Secretary to the Manufacturers
Mr. A. Hollins, 5a, Hill Street, Hanley
Secretary to the Operatives

NATIONAL COUNCIL OF THE POTTERY INDUSTRY

Objects and Constitution

OBJECTS

The advancement of the pottery industry and of all connected with it by the association in its government of all engaged in the industry.

It will be open to the Council to take any action that falls within the scope of its general object. Its chief work will, however, fall under the following heads:—

(a) The consideration of means whereby all manufacturers and operatives shall be brought within their respective associations.

(b) Regular consideration of wages, piecework prices, and conditions with a view to establishing and maintaining equitable conditions throughout the industry.

(c) To assist the respective associations in the maintenance of such selling prices as will afford a reasonable remuneration to both employers and employed.

(d) The consideration and settlement of all disputes between different parties in the industry which it may not have been possible to settle by the existing machinery, and the establishment of machinery for dealing with disputes where adequate machinery does not exist.

(e) The regularization of production and employment as a means

of insuring to the workpeople the greatest possible security of earnings.

(f) Improvement in conditions with a view to removing all danger to health in the industry.

(g) The study of processes, the encouragement of research, and the full utilization of their results.

(h) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople and for the adequate safeguarding of the rights of the designers of such improvements.

(i) Education in all its branches for the industry.

(j) The collection of full statistics on wages, making and selling prices and average percentages of profits on turnover, and on materials, markets, costs, etc., and the study and promotion of scientific and practical systems of costing to this end.

All statistics shall where necessary be verified by chartered accountants, who shall make a statutory declaration as to secrecy prior to any investigation, and no particulars of individual firms or operatives shall be disclosed to any one.

(k) Inquiries into problems of the industry, and where desirable, the publication of reports.

(l) Representation of the needs and opinions of the industry to Government authorities, central and local, and to the community generally.

CONSTITUTION

(1) *Membership.*—The Council shall consist of an equal number of representatives of the manufacturers and the operatives; the manufacturers' representatives to be appointed by the Manufacturers' Associations in proportions to be agreed on between them; the operatives' representatives by the trade unions in proportions to be agreed on between them. The number of representatives on each side shall not exceed 30. Among the manufacturers' representatives may be included salaried managers, and among the operatives' representatives some women operatives.

(2) *Honorary Members.*—The Council to have the power to co-opt honorary members with the right to attend meetings or serve on committees of the Council, and to speak but not to vote.

(3) *Reappointment.*—One-third of the representatives of the said associations and unions shall retire annually, and shall be eligible for reappointment.

(4) *Officers.*—The officers of the Council shall be:

(a) A chairman and vice-chairman. When the chairman is a

DEPARTMENT OF University of

member of the operatives, the vice-chairman shall be a member of the manufacturers, and vice-versa. The chairman (or in his absence, the vice-chairman) shall preside at all meetings, and shall have a vote, but not a casting vote. It shall always be open to the Council to appoint an independent chairman, temporary or otherwise.

(b) Such secretaries and treasurers as the Council may require.

All honorary officers shall be elected by the Council at its annual meeting for a term of one year, and, subject to the condition that a chairman or vice-chairman from the said associations shall be succeeded by a member of the said unions, shall be eligible for re-election. The Council may from time to time fix the remuneration to be paid to its officers.

(5) *Committees.*—The Council shall appoint an Executive Committee, and Standing Committees, representative of the different needs of the industry. It shall have power to appoint other committees for special purposes, and to coöpt such persons of special knowledge, not being members of the Council, as may serve the special purposes of these committees. On all committees both manufacturers and operatives shall be equally represented.

The minutes of all committees shall be submitted to the National Council for their confirmation.

Each committee shall appoint its own chairman and vice-chairman, except in the case of the Finance Committee, over which committee the chairman of the National Council shall preside.

(6) *Finance.*—The ordinary expenses of the Council shall be met by a levy upon the Manufacturers' Associations and the trade unions represented. Special expenditure shall be provided for by the Finance Committee.

(7) *Meetings.*—The ordinary meetings of the Council shall be held quarterly. The annual meeting shall be held in January. A special meeting of the Council shall be held on the requisition of ten members of the Council. Seven days' notice of any meeting shall be given. Twenty members shall form a quorum. Committees shall meet as often as may be required.

(8) *Voting.*—The voting upon all questions shall be by show of hands, and two-thirds majority of those present and voting shall be required to carry a resolution. Provided that, when at any meeting the representatives of the unions and the associations respectively, are unequal in numbers, all members present shall have the right to enter fully into discussion of any matters, but only an equal number of each of such representatives (to be decided amongst them) shall vote.

NATIONAL COUNCIL OF THE POTTERY INDUSTRY

["Sentinel" Leading Article, Jan. 15th, 1918.]

The National Council of the Pottery Industry is now an established institution, and the reports of the inaugural proceedings which have appeared in the "Sentinel" during the past few days have doubtless been read with cordial appreciation and high hopes not only by everybody connected with the potting trade but by the general public. Major Frank Wedgwood, who was elected Chairman on Friday, and Mr. S. Clowes, J.P., of the Potters' Union, the Vice-Chairman, both enjoy the esteem and confidence of employers and employed alike, and the Council is so composed as to be really representative of the potting trade of the whole country.

There is all the more expectation of success because the suggestion of the Council first came from the operatives. Bristol has for a long time been a center of vigorous discussion on industrial and social reform and advancement, in which Mr. Arnold Rowntree, M.P., Mr. E. H. C. Wethered, and Mr. H. Clay, M.A., took part. About the time that the Government appointed the Whitley Committee on Reconstruction after the War, our Bristol friends looked round to see if they could make an approach to any special industry. Mr. Clay, who has constantly lectured for the Tunstall Tutorial Class, suggested the potting trade, and representatives of the operatives who were invited to a conference at Lawton Hall liked the idea and formulated suggestions which were placed before the manufacturers, with the result that a joint meeting at Lawton Hall before laid the foundations of the Council which has now been formed. The Whitley Committee was meanwhile proceeding on similar lines, and National Councils are being formed for other industries under the auspices of the Whitley Committee; but the potting trade is entitled to be proud of the fact that it preceded the Whitley Committee not only in its Interim Report but in forming the first of the National Councils.

The National Council of the Pottery Industry, as already fully explained, is designed to regulate wages and selling prices, promote education in the industry, secure improved health and other conditions, encourage better methods, and assist Imperial and Municipal authorities in arriving at sound conclusions on trade matters. In brief, the National Council is calculated to promote peace and plenty, prosperity and happiness in the potting trade. But Dr. Addison, M.P., Minister of Reconstruction, and Mr. Roberts, M.P., Minister of Labor, kindly accepted an invitation to attend the first meeting of the Council and to address a public meeting, and in the

official blessing they gave to the inaugural gatherings, they tremendously widened the outlook, as anybody who heard or has read the speeches could not fail to perceive. It is not merely a matter of advancing the conditions of the industry itself, important and vital as that is. Dr. Addison showed that the reconstruction of industry and the nation after the War is a tremendous and essential problem, involving the restoration and development of old industries and the creation of new industries; a system of demobilization at the peace which shall be satisfactory to all concerned, changing over from war conditions to peace conditions with the least possible friction and dislocation; the promotion of education in its widest sense; improved housing; the regulation of imports, so that raw material may be given precedence over imports of secondary importance—a matter of delicate and far-reaching concern, upon which much will depend; and so on. On all these questions, the Reconstruction Department of the Government wishes to seek advice and guidance from the industries, and indeed desires that the industries should act for themselves as far as possible under Government supervision. This admirable plan can only be carried out if the industries are completely organized—if all employers are in their associations and all workers are in their unions, and if both are able to act together and speak for the whole industry by means of a National Council of the industry. Fitting into a scheme of this sort, the National Council of the Pottery Industry becomes not only a Council for the internal management of the potting trade, but an organism in the advancement of the national welfare.

Mr. Roberts, the Minister of Labor, in his speeches at the Council meeting and the Victoria Hall, eloquently dwelt upon the need for a greater humanizing of employment conditions, in the interests not only of employers and employed, but of healthy trade activity. Good profits and good wages are a just expectation (though Dr. Addison warned his hearers that the public must also be considered, and that an industry would not be safe if its customers were made poor); but Mr. Roberts and Dr. Addison both supported the assertion made by the Bishop of Lichfield in the Victoria Hall some time ago that half the labor troubles were not due to wages disputes at all, but to the resentment of the workers if they were regarded by employers as "hands" instead of human beings and fellow-laborers in a common cause. The National Councils will do much to effect a remedy in that respect. And some of the sincerest applause at the Victoria Hall on Friday evening was elicited from the audience of workers by Mr. Roberts' declaration that if employees were fairly treated the obligation rested upon them to treat their em-

ployers fairly in return. It was a frank and thoroughly English moment.

Incidentally, Mr. Roberts remarked that a Government Department could scarcely resist the united voice of an industry on fiscal or other similar issues; and later on, he was emphatic that the British Empire and our Allies have the first claim upon the raw materials of the Empire. Both Dr. Addison and Mr. Roberts pointed out that winning the War is the essential preliminary of all reform and progress. The peroration of the inauguration of the National Council was found in the speeches at Tunstall under the auspices of the Tunstall Tutorial Class during the week-end, when Mr. Arnold Rowntree, M.P., Mr. Wethered, and Mr. Clay, who had been co-opted honorary members of the Council, eloquently urged the humane and religious aspects of the movement, and sought to rekindle into a living flame those social and fraternal relations and responsibilities without which life becomes selfish and sordid, while on the other hand there is the certainty that in working for others we also save ourselves. The "still, sad music of humanity" has in these Pottery Council meetings swollen into a grander tone, and mystic voices chant the coming of a nobler and a happier day.

[Reprinted from the "Staffordshire Sentinel" of January 12th, 1918.]

NATIONAL COUNCIL OF THE POTTERY INDUSTRY

INAUGURAL MEETING

Reconstruction After the War

Important Speeches by Members of the Government

Future of the Potting Trade

The inaugural meeting of the National Council of the Pottery Industry was held at the North Stafford Hotel, Stoke-on-Trent, on Friday, January 11th, 1918.

Members of the Council

The members of the Council (thirty on each side) are as follows:

MANUFACTURERS' REPRESENTATIVES

General Earthenware (11)

Mr. J. C. Bailey—Messrs. Doulton and Co., Ltd., Burslem.
Mr. K. H. Bailey—Messrs. Furnivals, Ltd., Cobridge.

Mr. C. E. Bullock—Bourner, Bullock and Co., King's Chambers, Stoke-on-Trent.
Mr. A. Fielding—Fielding and Co., Ltd., Stoke.
Mr. R. Lewis Johnson—Messrs. Johnson Bros. (Hanley), Ltd.
Mr. E. J. Johnson—Johnson Bros. (Hanley), Ltd., Stoke.
Mr. T. B. Johnston—Pountney and Co., Ltd., Bristol.
Mr. E. Leigh—Burgess and Leigh, Burslem.
Mr. A. H. Maddock—Messrs. Maddock and Sons, Burslem.
Mr. R. Shenton—Wedgwood and Co., Ltd., Tunstall.
Major F. H. Wedgwood—Wedgwood and Sons, Ltd., Etruria.

China (5)

Mr. W. Hall—Cartwright and Edwards, Ltd., Longton.
Mr. A. B. Jones, Jun.—A. B. Jones and Sons, Longton.
Mr. Thos. Poole—Cobden Works, Longton.
Mr. P. Shelley—Wileman and Co., Longton.
Mr. H. J. Plant—R. H. and S. L. Plant, Longton.

Jet and Rockingham (2)

Mr. S. Johnson—S. Johnson, Ltd., Britannia Pottery, Cobridge.
Mr. A. J. Wade—Messrs. J. and W. Wade and Co., Burslem.

Glazed and Floor Tiles (3)

Mr. J. Burton—Messrs. Pilkington Tile and Pottery Co., Ltd., Clifton Junction, near Manchester.
Mr. S. Malkin—Messrs. the Malkin Tile Works Co., Ltd., Burslem.
Mr. S. R. Maw—Messsrs. Maw and Co., Ltd., Jackfield.

Yorkshire (1)

Mr. T. Brown—Messrs. Sefton and Brown, Ferrybridge.

Scottish Earthenware Manufacturers' Association (1)

Mr. J. Arnold Fleming—Cochran and Fleming, Glasgow.

Stoneware (1)

One to be appointed.

Sanitary (3)

Mr. E. R. Corn—Henry Richards Tile Co., Tunstall.
Mr. W. Hassall—Messrs. Outram and Co., Woodville.
Mr. J. T. Webster—Twyfords, Ltd., Cliffe Vale, Hanley.

Fireclay (2)

Mr. J. Taylor Howson—Messrs. G. Howson and Sons, Ltd., Hanley.
Mr. A. Barrett, Sanitary Fireclay Manufacturers' Association, Leeds.

Electrical Fittings (1)

Mr. J. W. Harris—Messrs. Bullers, Ltd., Hanley.

OPERATIVES' REPRESENTATIVES

Pottery Workers' Society—Messrs. W. Tunnicliffe, W. Aucock, W. Shaw, G. Pedley, W. Machin, W. Goodwin, T. Coxon, R. Colclough, W. Milner, W. Harvey, R. Stirratt, W. McGurk, H. Forman, J. Wilcox, J. Booth, S. Clowes, A. Hollins.

Ovenmen's Society—Messrs. J. Pickin, R. Bennett, J. Bennett, W. Owen, W. Callear, F. Colclough.

Packers' Society—Mr. C. Martin.

Cratemakers' Society—Messrs. J. Owen and L. Jackson.

Commercial Travelers—Messrs. S. Oulsnam and J. Derry.

Clerks' Union—Messrs. J. Berresford and Beech.

Lithographic Printers—Messrs. F. Smyles and H. Rudge.

It will be seen that there are 32 names, but two of these will be dropped from the Pottery Workers' Society when they make the final selection.

BUSINESS OF THE FIRST MEETING

At the first meeting of the Council on Friday afternoon, Major Frank Wedgwood was elected Chairman and Mr. S. Clowes Vice-chairman. Mr. Arnold S. Rowntree, M.P., York; Mr. E. H. C. Wethered, Bristol; and Mr. H. Clay, M.A. (Ministry of Labor), who held conferences with pottery manufacturers and labor representatives even before the Whitley Committee had got to work, and thus helped to lay the foundations of the Council, were coöpted as honorary members. A Committee was appointed to formulate committees. The Committee will meet on February 1st, and the first general meeting of the Council will be held on February 13th, at 10.30, at the North Stafford Hotel.

Two members of the Government, Dr. Addison, M.P., Minister of Reconstruction, and Mr. Roberts, Minister of Labor, attended to give an official blessing to the Council. Their speeches dealt not only with the possibility of the Council promoting peace and prosperity in the pottery trade, but with the great help such Councils could afford the Government in dealing with the problems of demobilization and reconstructing and developing the industries of the country after the War.

Those present, in addition to those mentioned above included Mr. H. B. Butler, Assistant Secretary, Ministry of Labor; Mr. A. P. Llewellyn, Secretary to the Manufacturers; Mr. S. H. Dodd, Deputy Secretary to the Manufacturers; and Mr. A. Hollins, Secretary to the Operatives.

MAJOR WEDGWOOD

The newly-elected Chairman (Major F. H. Wedgwood) said it was a very great pleasure to all of them to feel that they had the honor of having the Minister of Reconstruction and the Minister of Labor down to address them that afternoon. (Hear, hear.) He thought they would find that they were an appreciative audience, and he felt sure that what they told them would help them materially in carrying on the very difficult work that lay ahead of them. (Hear, hear.) He thought that before he asked Dr. Addison and Mr. Roberts to address them, he ought to try and bring home one or two points which occurred to him as worthy of their notice, points which were particularly applicable to the district in which they lived.

The first thing that occurred to him as being peculiar to the district, was that it was a concentrated industry in this district. There was no other industry so far as he knew which had two-thirds of the total products of the United Kingdom being manufactured within a radius of five miles from the room in which they were assembled. (Hear, hear.) The next peculiarity was that the district was a district of relatively small factories, and there was in consequence a surprising number of manufacturers. And the third point, which was a very sad point and one which they all felt, was that, speaking broadly, the whole district was a poorish district. He knew he must not say that this week when the Tank was on a visit in the district, but there was no doubt about it, the potting industry had not been remunerative to the manufacturers for the last 25 years. He was speaking broadly, but figures would bear him out. And undoubtedly inadequate wages had been paid in certain departments, the especial sufferers being the women.

RATEABLE VALUE

And last of all it was a district which had probably the lowest rateable value to the population, of any other district in England. Those points were all points which had a material bearing on the work of that National Council. In the first place, the concentration of the industry was an enormous help to them in carrying it on. They were all very proud that they were the first industry to form a National Council—(hear, hear)—and they ought not to blink at the fact that they were in a favorable position because of the concentration of the industry.

The next point, the question of small factories, had also a very important bearing on the work of the Council, because it meant that

manufacturers and their workpeople were able to get into close touch one with the other. Then, on the third question of the relative poverty of the district, there was an enormous field for improvement possible, if they could organize themselves properly. They might hope to benefit the trade to a very great extent indeed, because after all that Council was not out for one section of the members only. It was out to make the trade more prosperous, and thereby improve the status of the people who worked in the trade. (Hear, hear.)

THE OUTCOME OF THE WAR

There were only two other small points, and he thought he was saying what they were all agreed, that one result of this terrible and horrible war we had been engaged in for three and a half years had been undoubtedly the means of drawing everybody together in a way we never thought was possible four years ago. He remembered two years or more ago, when he was well out of the "pots" for the time being, his association with Mr. Clowes in the work of recruiting, and of the kind fellowship that sprung up between them. Good fellowship was a great asset to the side of a Council of that kind. (Hear, hear.)

Then the last thought which was in his mind was the fact that we had had during the last three or four years, our eyes astonishingly opened to the foul machinations of our enemy the Germans. He was not speaking of the atrocities, but only for the moment of the sustained and nefarious efforts they were undoubtedly making all over the world, to filch our trade from us and steal from us market after market. We could see it all now. That had brought home to himself, at any rate, and, he thought, to the district at large, the great necessity of coöperating and making themselves of service one to the other. He thought they realized, certainly the manufacturers realized much more than they did, and the men's leaders would say the same, that there was an absolute need for education in its widest branches, carried on, not only for those of 14 to 18, but that they should continue educating themselves up to the time of their death. (Hear, hear.) He hoped they were going to have an educative afternoon and evening, and he had pleasure in asking Dr. Addison to address the members of the Council. (Loud applause.)

DR. ADDISON, M.P.

Minister of Reconstruction

Dr. Addison said he thanked them very much for giving him an opportunity, and he knew his colleague would do the same, of attending at last the first meeting of the first Joint Industrial Council. There was an urgent need that this movement should make in this country much speedier progress, and he was delighted, although by the kindness of his colleague and his assistants he had been kept in touch with the progress of affairs, that at last they could say that they had been invited to the first fully formed, fully representative, and fully recognized Joint Industrial Council. (Hear, hear.)

He believed that there were few things in this country at the present moment which were of more critical importance than the formation, according to the particular needs of the individual trades, of representative trade organizations, of complete associations of masters on the one side, and of men on the other, and of the formation of Joint Industrial Councils for such affairs as the Joint Industrial Councils might agree to deal with. (Hear, hear.) But particularly in relation, in the first place, to some of those matters which would immediately become urgent on the cessation of hostilities. And he told them that as the time dragged on, and those movements made what, to him, at all events, was a very disappointingly slow progress; although he knew how very very difficult it was, and when one had a knowledge of the enormous dislocation of industry that would immediately arise on the cessation of hostilities, he said it was of the first importance that Joint Councils of employers and employed should get together in this country to regard their industry as a whole, to take into account the great movements which must necessarily arise in labor immediately hostilities cease, and to some extent even on the declaration of armistice; all the many questions which needed arranging beforehand affecting the introduction of outside labor, the making room for the men who had joined the forces whose places were kept for them, the arranging between themselves, if possible, the way in which the subjects were to be dealt with between employers and employed, or in some trades those very technical questions affecting dilution, and the numberless arguments which were being made in shops, and sometimes between trades and Government with regard to the conditions of war work. Unless these things were dealt with, and thought out carefully by those who were immediately concerned in the different trades beforehand, they would be, he was certain, pre-

cipitated into serious social and industrial disturbances. And it was not possible to exaggerate the importance of these matters being taken in hand and considered in detail by those who were immediately in contact with them as soon as possible, and for that reason, more than any other, he congratulated them with his whole heart in forming that Council, and he sincerely wished them good success in its deliberations.

THE GOVERNMENT BLAMED

It was a very easy thing to blame the Government when things went wrong, and some of them who were accustomed to being members of it, were quite accustomed to being the objects of that kind of criticism, and far be it from him to pretend that a good deal of it was not thoroughly justified. He did not know any way to suggest that those responsible for the conduct of affairs were not fully prepared to accept their share of the responsibility, but there was a great share of responsibility also belonging to the employers and to the workpeople of this country as well. And the first duty, he believed, of employers was to form in the different trades classified, as its needs might determine, comprehensive employers' associations.

He believed it was necessary for the future well-being and rapid restoration of the productive power of this country that every employer should be in his association and every workman in his trade union. (Hear, hear, and applause.) And he would tell them some very good reasons why, in the course of the few minutes that he should address them. They were anxious, in fact it was necessary very soon to ask some representative body in the different trades to advise them and to guide them—and if possible to act as their agents—in respect of important matters concerning their industry which arose in connection with reconstruction.

REPRESENTATIVE ASSOCIATIONS

But the fact was that except in a few cases there were not in this country properly appointed fully representative trade organizations. He could tell of many trades in which there were four or five associations, all claiming to be fully representative; and the Government Minister who happened to call a meeting and missed one out soon heard about it. That was a very unsatisfactory state of affairs. They had overcome it in the pottery trade. Whether that was due to them being so much collected in one district or not, he did not know. That must have contributed a good deal, but still it had

not been done, he was quite sure, without a good deal of good-will and hard work on both sides, because the mere fact that the Chairman referred to—that the trade consisted to a great extent of a large number of relatively small undertakings—presented, he should think, the first great difficulty. (Hear, hear.)

We were all strongly individualistic—most of us were in the British race—and whether a man was a workman or an employer, or a politician, he had got that kind of thing in his blood. And we were all, sometimes, very jealous of one another, so that it was exceedingly difficult to bring about comprehensive associations. He might say that in connection with the work of reconstruction the Government would definitely call upon this National Council to give them certain information and to undertake certain duties. And with regard to paragraph L. contained in the articles of association, the Government would take them at their word as being competent to represent the needs and opinions of their industry to Government authorities. (Hear, hear.)

ONE RECOGNIZED AUTHORITY

"And let me say we shall not only take you at your word, but we shall take only you (applause); when you say you represent those needs and opinions, we shall take it that you do represent them." (Hear, hear.) Dr. Addison went on to say that when he was Minister of Munitions, he often caught it hot—(laughter)—because he had not consulted somebody or other. Well, one expected that kind of thing when one was Minister of Munitions. He did not mind; he did the best he could. He remembered once, in one particularly large industry, there was a very important Labor issue. There were five organizations among the employers in that industry, and it took six weeks to get a meeting of employers to negotiate on that issue which, though a big issue, was a simple one. It was a very depressing experience, and it was not alone.

Apart from these details in their articles of association, to which possibly his colleague might refer more fully, he would deal with one or two matters in connection with reconstruction which necessitated the formation of comprehensive trade associations. He expected Mr. Roberts would deal with the more particular labor issues. He himself would only refer to one. He believed that it was of the first importance that as soon as possible there should be agreement reached in the different trades, whereby they could sweep away any objections on the part of labor to the introduction of improved methods of manufacture. (Hear, hear.)

LABOR'S REWARD

And there were two things underlying that which he believed had got to be fairly and frankly met, and the first one was that Labor was to be assured of a definite arrangement, binding on the whole industry, whereby it would be guaranteed a fair proportion of the reward received out of the improvement. (Hear, hear.) That was essential. (Hear, hear.) Anything which left that question to be dealt with could not possibly remove the objection which men must entertain if they felt there was a chance of some piece rate being cut or some arrangement being arrived at whereby, though they were asked to produce a lot more goods they were not to get any more money.

Then they must look as far as possible, and he could not see how they could do it without regarding the trade as a whole, and try to secure some greater surety of employment. He did not think they could do that in individual shops. The previous day he received a deputation from another industry, and he was referred to a statement which had been made on behalf of that industry, that it was for the benefit of the industry that there should be a certain percentage of unemployment. He did not think the men who had fought for us in this war were going to tolerate a barbaric system of that kind. (Hear, hear.) They were getting over it in the cotton industry, and they were making very elaborate arrangements to meet it during the war; and he did not think for a moment they would despair afterwards.

RAW MATERIAL SUPPLIES

The first thing he did when he was appointed Minister of Reconstruction was to get a number of experts to go into the question of raw material supplies for the industries of the country. That was one of the subjects in which the Government needed representative associations to help them in regard to their particular industries. They wanted to know, not in general terms, but, as far as possible, en bloc, as affecting an industry, what their requirements were with respect to raw materials. And he could tell them that they were in fact asking the different industries what their requirements were with respect to raw materials, because, either from shipping difficulties or from the cause of a real shortage of the world's supplies of certain commodities, there would be a shortage of raw materials.

It was quite evident that there would be some industries in which so far as affected the total needs of the industry, we might be con-

fronted for some time with a real shortage. The trades ought to have an organization to deal with this for themselves. (Hear, hear.) If there was to be any rationing done in an industry, it should be done by somebody appointed by the industry to do it—(hear, hear)—somebody who knew about its technicalities and about the various issues involved. This could be done much better by the trades for themselves than it could be done by any central department, and it had this incidental advantage; that if they did not do it properly, they would have themselves to blame, and not the Government. (Laughter.)

A QUESTION OF COST

He noticed, by the way, in looking through a very excellent volume issued in the United States, on pottery, that the proportion of material utilized out of 100 units of production in the British pottery trade was put down as 28, and that in America 20, and in Germany 15. It struck him, as the Chairman was speaking, that he should think this would be one of the first questions to which their Council would address their minds. There was nothing in which comprehensive trade organization dealing with the thing as a whole, both from the standpoint of purchase, and, above all, of transport—and he understood that this was one of their weaknesses in that district—(laughter and applause)—could effect greater economies than in the case of raw materials. He knew of a particular case in which the Ministry of Munitions analyzed the cost of production as compared with the same date two years in succession—the same apparatus and the same raw materials—and notwithstanding that the wages had gone up 15 per cent. for the men employed in the works, the cost of production had dropped 22 per cent. That had been solely due to a careful analysis of the cost of production and the discernment of waste, particularly, in this case, of raw material. Hence, the reduction in the cost of production had allowed an increase in the wages rate.

There was another even more urgent reason why the Government wanted representative trade associations to help them in connection with reconstruction. In the ordinary way, the employers might be looked to for the discharge of this duty, but the Government's principle would be that they should look to the joint industrial councils to discharge any functions which the two parties to a council agreed that it should discharge. Otherwise, they looked to the trade unions to advise them on their questions and the employers on theirs. But one of the most urgent reasons for requiring representative trade associations was in connection with the class

of questions which might generally be described as prior in connection with reconstruction. There would be, as they would know, a great cessation of work in certain fields of activity, and the rapidity with which they could turn over to the new kind of industry depended upon the equipment for turning over, the preparation of the necessary plans beforehand, and a number of other technical details.

AN ILLUSTRATION

Let him give them an illustration. The group of trades with which they had been dealing had shown to them quite clearly that unless certain essentials, which appeared to the outsider to be minor essentials, were attended to during the war, the time of turning over from war to peace, after the cessation of hostilities, in a particular trade, would be three months longer than it otherwise would be, and there were hundreds of thousands of people employed in that industry in one town alone. So that it was necessary for those concerned to get to work, and think out what were the things that were required to be done first.

And let him there lead to something which was very much misunderstood. There was a Bill before Parliament known as The Imports and Exports Limitation of Movements Bill. He would give them an illustration as to why that Bill had been brought forward. There would be, as he said, a shortage of materials in some trades. The cotton trade was short of material, and it was very important to be able to determine as to whether or not they would have cargoes of bales of cotton giving precedence to a grand piano. Let them put it grossly like that, because it meant giving employment to the people in the Lancashire trade. They must, in the early days of reconstruction, be able to get the first thing first; otherwise it would mean masses of unemployed, and they wanted the trades, with respect to their particular requirements, to advise them what were the things they needed first. If they needed no assistance, then they would be delighted. In case they did need assistance, it was well the matter should be thought out and the needs formulated.

THE PRIORITY QUESTION

Now he would give them a specific case in the kind of question which they wanted the trades to advise them on. There were many industries in this country which were full of orders, and they would have plenty of raw material. But they would lack machinery. They had turned over their works to something quite different from their ordinary business. And the first require-

ments of that industry, before it could start to employ its people again, was the replenishing of its machinery. Well now, it so happened that for that particular class of machinery, most of the manufacturers of this country were already full of orders from two foreign countries alone. The total manufacturing capacity of this country of that particular class of machinery was already booked. Well now, did they not see where the necessity came in for the information on the priority question? (Hear, hear.) They could not let the great industry stand still waiting for machinery. The matter must be gone into beforehand, and they must take powers to arrange that it got a fair share of early attention in order to get the people returned to employment. He only gave them one illustration; he could go on too long giving them illustrations of the kind of question which they wanted the trades to advise them upon on what he called the general priority issue. There was a large group of them, and no doubt in time they would send to that Council a questioner. And he had no doubt they would fill it up to their own satisfaction and, he also hoped, to theirs.

ARTICLES OF THE ASSOCIATION

But when they sought to provide great trade associations—and he was certain, quite apart from the immediate issues of reconstruction, they were wanted if they were to improve the industrial capacity of this country—they had got to think over some of the purposes laid down in their articles of association. And might he refer to one or two of them before he passed to the danger to which he was going to allude? He noticed that one of their articles of association referred to the study of processes, the encouragement of research, accounting methods and so on. He had already said something as to the value of cost accounting to the various industries. He remembered one of their national factories in Yorkshire was producing 18 inch shells which cost 15s. 3d. each, while another factory in the same county supplied the same shells at 9s. 11d. each. Both factories were supplied with the same material at the same cost, and the same rates for labor was paid. They eventually got the price in the first case reduced, but it was all a matter of management, accurateness, and a hundred little things which went to make the difference. But if the two factories had been competing one against the other, the one could not have lived beside the other. That was what came of good accounting. He could multiply those illustrations for a long time.

He was sure it was a very wise provision.

And another thing was invention and research. He believed it

was one of the chief blots in British industrial progress, that we never made sufficient use of the great mine of wealth and brain that there was in the craftsmen of this country. And it was largely due to some of our pattern laws, and often due to the fact that the men who made a good suggestion somehow or other never got anything out of it. That had got to be guarded against, and it was to the advantage of the trade as a whole that it should be done. (Hear, hear.) He was glad to see they took into account the conditions of health in their industry. He remembered in the early days of the Ministry of Munitions starting a Good Health of Munition Workers Committee, and he would like them to see the little pamphlet that was issued giving the results of some of the examinations. But there was no doubt about it that it was best to have women working under good conditions. He remembered one of the big employers in Glasgow laughing with him over a certain incident. He said he was giving his boys an extra shilling every Monday for bringing a clean overall to wear. Asked the reason, the employer replied, "Well, because it pays; I get more work out of them." He did not profess there was anything philanthropic about it; he said it was good business. He had found out that it paid to have his workers working under good conditions. It paid him as an employer, and he had no doubt it would pay them in the Potteries. And the only way in which this thing could be gone into was by the industry going into it collectively.

TRANSPORT FACILITIES

He hoped they would make representation to the Ministry of Reconstruction affecting the transport facilities as they related to their industry. He had a sort of notion at the back of his head that might be improved in this district. (Hear, hear.) There was one danger which those trade associations presented, and let them speak quite frankly about it. He noticed that according to the objects of the Council they were: "To assist the respective associations in the maintenance of such selling prices as will afford a reasonable remuneration to both employers and employed." That was quite right; they both ought to have a proper remuneration. No healthy condition of industry could prevail if they did not. But he noticed also that was linked up with another object, which was: "The collection of full statistics on wages, making and selling prices, and average percentages of profits on turnover, and on materials, markets, costs, etc., and the study of promotion of scientific and practical systems of costing to this end." And he would draw their attention to another part of that transaction, and that was the con-

sumer. (Hear, hear.) They did not want to be parties to the formation of some unholy alliance, if he could so describe it, between capital and labor at the expense of the consumer, because that would not last. It did not pay any industry to have its customers poor, and it would not pay the pottery industry any better than any other, and it was quite impossible, of course for him as Minister of Reconstruction to look with any kind feeling upon arrangements of that kind. They wanted to construct an association, as they said in their articles, on lines which would develop and foster the industry in all its branches and which would he had no doubt deal with and take cognizance of its affairs from start to finish. He meant from the raw material, where it came from, how to deal with the marketing, transport, etc., until the finished product was disposed of in the best and most economical manner. One of the things they intended to take up in their industries was improved transport, and he hoped some time or other they would see better things than a dozen horses and carts going from one village to the railway station, each conveying a stone or two of goods. It was a waste of time, of labor and of money. They wanted some organization in transport, and he would imagine it was just as necessary in the potting industry, although he knew nothing about its technicalities, as it was in every other industry he had come across in the country.

FOR THE BENEFIT OF TRADE

Now, he only had to say this. While they intended—Mr. Roberts' recent circular set out the position of the Government—to recognize, and having recognized to work through and to give the utmost possible authority and support to any thoroughly representative and properly constructed trade organization, they wanted to help them, and they wanted them to help them and also to help the trade.

And let it be quite clear that when they spoke of trade organizations, they meant something which was for the interest and the benefit of the trade as a whole, including purchases of its goods. They did not want the country to be saddled with organizations, trusts, or price rings, as they were variously called, as they had been a great handicap to industry in many countries, including this one. He had asked a number of experts on both sides to explore the whole of this question, with a view to safeguarding the public interests in connection with this movement. And when he said this—it was much better to be quite frank about it—he said it because he wanted to see in this country comprehensive trade associations; and they would not get them established and permanent unless they had public confidence and unless they were found to be for the good of

the trade as a whole, as he belived theirs was. He welcomed these organizations. He congratulated them upon the establishment of their Council, and he wished to thank them for giving him the opportunity of being present at its first meeting. (Applause.)

MR. ROBERTS, M.P.

Minister of Labor

Mr. Roberts, who was very cordially received, observed at the outset of his remarks that, like his colleague, he should like to express his profound pleasure at being invited to attend the first meeting of the first Whitley Council formed in the country. He congratulated them upon the formation of the Council, but his presence there was tinged with one slight regret. When he worked, he was connected with the printing trade, and he had had an ambition that the first Whitley Council should be established in the trade in which he used to earn his livelihood, and if it be that he had to acknowledge that the pottery trade moved much more swiftly and had exhibited a greater progressive idea than the printing trade, well, probably it was the highest tribute he could pay to their assembly. Personally, he esteemed it something more than a privilege to be present in order to participate in a very interesting ceremony, because the establishment of that Council marked the consummation of a principle he had desired to see established in the country.

Most of them who were acquainted with industrial affairs viewed with grave apprehension the relationship of industrial classes before the war. It almost appeared as if we had erected a Chinese wall between the employers and the employed. They were being more and more divorced from each other. That was a state of affairs that could only lead to national disaster. And whilst everybody regretted the outbreak of this horrible war, nevertheless the war had not been altogether a matter of loss, because, as the Chairman had said, at least one great thing had been accomplished. At the outbreak of war, it seemed almost as if a miracle was wrought in the land for those who had been glaring at each other were preparing to make war on each other, but in a trice all sank their differences to display to the whole world one of the most remarkable evidences of unity for the nation. Everybody recognized that in the face of great danger, disunity in our midst meant national defeat.

A CLOSE ANALYSIS

He was of the opinion that what was essential for the purpose of prosecuting and winning the war would prove to be equally essential

in the troublous days that would follow the war. For, however optimistically we might view things, the close student of industrial affairs would have noted that Great Britain was gradually lagging behind her great competitors of the world. The war had compelled us to subject our industrial conditions to very close analysis. The result of some of these investigations had been cited to them by his friend, Dr. Addison, and now they were going to ask themselves whether the lessons which had emerged through the war were to remain with them in the years that were ahead. And certain as it was that our country, subjected to perhaps the supremest test to which people had ever been put, had risen superior to this test in the matter of warfare, he was confident that the same quality would carry us through the industrial test after the war, and our country would retain its proper position of eminence amongst the nations of the world.

But if we were to do that, we must recognize that just as the world could never progress unless peace was established on a firm and enduring basis, so industry in the land would never flourish unless harmony prevailed amongst the various elements working in that industry. Therefore, they recognized that some change had to take place in order to remove that strained relationship which characterized industry prior to the war. They had sought to find methods whereby the various parties in industry might be persuaded to come together in order to thrash out matters affecting not the individual welfare of any one, but that broad view outlined by Dr. Addison, to apprehend the industry as a whole. Some of them had been engaged in canvassing this question in various forms, and they were delighted when the Government set up a committee which produced what was known as the Whitley Report.

AN ENCOURAGING RECEPTION

This report was submitted to the various organizations of workpeople and employers throughout the country, and its reception was most encouraging. He, himself, was most agreeably surprised to find how receptive both classes were in respect of this matter. The Cabinet felt they were warranted in giving their blessing to this movement, and that day they in that room were publicly associated with a movement which marked the industrial salvation of the land.

Why was it that the relationship had been so unsatisfactory? He sometimes had told employers that it was not altogether the fault of the workpeople, because they had left them to be talked at mainly by parsons and politicians—not altogether very desirable types when

dealing with industrial affairs. (Laughter.) But there it was. The workman had very often got it into his mind that the employer simply regarded him as a means of profit-making; and certainly, owing to a new form of industrial organization which had grown up, some workmen had very good reasons for thinking so. The spread of great combines and the impersonal relationships which thereby prevailed, led great masses of workpeople simply to regard themselves as cogs in a great wheel, unheeded by those on whose behalf they were toiling. That sort of thing was bound to create unrest.

How widespread that unrest was most of them were familiar with in a more or less degree. We had got to uproot that disturbance if reconstruction was to be hastened, if we were speedily to repair the ravages of war and if Great Britain was not to be handicapped for all time in the great race of world trade and commerce.

EMPLOYERS' FRANK ACCEPTANCE

They knew what their Whitley Council was. It was representative of the trade unions on the one hand and employers' organizations on the other, and personally, as a trade union and Labor agitator of now more years than he cared to recall, he was delighted to have evidence of the frank acceptance on behalf of the employers of the pottery trade of the principle of organization, and, as exemplified on behalf of the workpeople, a full recognition of their trade union. The trade union in the pottery trade had, he believed, made very rapid growth during the past few years. Nevertheless, it was a most unsatisfactory state of affairs that not above one-third of the people employed in the industry were within the ranks of the trade union. Certainly the employers' displeasure should no longer be a deterrent. He knew that many people were kept outside their trade union fearful lest their employer might not like it, and yet at the same time they were the most vociferous in singing "Britons never shall be slaves." (Laughter.) The potting trade had now avowed to the whole world that both sides recognized that the principles of organization were absolutely essential to the progress of the industry. The Whitley Councils were based upon organization on both sides, and if people wanted to get such advantages as would ensue from this movement, they could get them very freely; the workpeople had only to join their organization and if an employer was standing outside his organization he (the speaker) felt sure that he would be just as readily admitted.

THE WHITLEY COUNCIL

Well, now they were hopeful and the Government desirous that the Whitley Council should not be regarded merely as an expedient for relieving labor troubles and that they would not exhaust their endeavors in dealing with wages, hours of labor, or conditions of employment. They were essential things, and he recognized that unless those questions were satisfactorily settled, the future of the Council was not very hopeful. He wanted to see for every willing worker in the land a wage of ample dimensions. Not merely what was talked of in the phrase, a living wage. Personally, he was not prepared to state what was a living wage. He could tell them what was not very easily, and he had to confess that large groups of workers before the war were in receipt of remuneration which did not agree to his standard of a living wage. A wage which simply supplied the needs of the week, was not a living wage. A man must be given a wage with a sufficient margin to enable him to make provision for all the vicissitudes of life, and he felt by the institution of a Council of that character, that by friendly negotiations, that by being able to put wages in its proper perspective and relation in the whole interest of the industry, they would gradually, it might be, grope their way, but nevertheless they would ultimately arrive at a standard which more correctly reached the standard which he had in mind.

There were, of course, many considerations affecting their daily life. Dr. Addison, of course, quite naturally made reference to the consideration of health and sanitation. He was not competent to speak of those matters in relation to the potting industry, but the approbation with which his observations were received, encouraged him to believe the employers in that district recognized, with him, that the conditions, that the environment in which they worked, would very largely determine the spirit of their work and the efficiency that was evolved from it. But they were asking them to recognize that the peoples of that Council represented an ever expanding vista; they wanted them to take cognizance of trade as a whole.

GOVERNMENT OWNERSHIP

There were friends of his who were urging that the Government should immediately assume ownership of control of all forms of industry. On hearing them speak, he presumed they regarded themselves perfectly qualified to manage on behalf of the State the most complex forms of industry. Well, at any rate, he had had this advantage. He had had some slight business training. He managed

two businesses before he sought the easy and luxurious form of getting a livelihood of a professional politician, and therefore he could appreciate the employers' point of view. And he wanted to tell his fellow workmen that the employers had their difficulties as well as they. Trade did not fall to them just as rain fell from the heavens. It had to be sought for and competed for, and unless they could get it they did not win profits, nor did the workers secure employment and the wages that accrued from their labor. They would see, therefore, that whilst it was very easy to talk about ownership and control of industries it was perhaps not quite so simple as the orator might imagine. (Hear, hear.) But even if they had those aspirations, he respectfully submitted that the Whitley Council might be regarded as a university through which they would graduate. And he was certain that as they learned more of the conditions of their industry, certainly it would be that they would be endowed with a keener sense of responsibility, and he rather apprehended that the great enthusiasm which inspired them to make the broader demand might simmer as the experience came to them.

In this new departure the workmen would have an advantage they never previously possessed. They would come into close touch with employers, and the latter would get to know the workmen's point of view first hand, and they would see and learn from the workmen's representatives that the workmen were just like the employers —human beings, with a desire for a brighter and fuller life, and who were filled with just as intense a love for their wives and children. And when the employers understood the workmen and knew their aims and aspirations—well, perhaps they would even sympathize with those who complained, because in their ignorance they felt the employer might be the enemy standing between them and the fuller life. Employers on the one hand would get to understand the workmen better, and the employer would recognize the fact that he was charged with a duty to do the best possible for those he took into his service. For his own part, if he were an autocrat, if they gave him as much power in this country as the Kaiser had in Germany one of the things he would do as soon as he had won this war would be to lay down this very simple formula, "No man shall take into his service a fellow-man unless he is able and willing to reward him with a full living wage." Of course, that was directed against the employer. Now against the workman he would say, "No workman shall be allowed to take up employment at wages less than those agreed by the test of a living wage." And, he believed, if he were able to apply that single formula, he would have done

something to add great glory to the traditions of the race to which we were proud to belong. Those were the standards he believed that they would still be able to evolve out of their deliberations.

THE SHORT CUT TO UTOPIA

Of course, they must not come into the Whitley Council thinking it would establish an automatic Utopia. Such things could not be. And those who sought to delude their fellowmen into believing that there was one single panacea which could be applied, which could take them out of this imperfect order of things immediately into a perfect paradise—well it reminded him of the story of the young man who got lost while cycling along a dark country road. Ultimately he got to what appeared to be a sign post silhouetted in the darkness. The young man took his lamp off his bicycle and climbed up the post only to find the words "Wet paint." (Laughter.) And thus it would happen that if the masses of the people listened to those who promised them a short cut to Utopia—well then they would find they had been led into the portals of a forlorn hope, and would have to retrace their steps and return to the more matter of fact methods of the Whitley Council.

Those Councils had almost unlimited possibilities. Dr. Addison had lifted the veil and shown them some of them. He had told them of the great work they might be called upon to undertake in the process of demobilization, and what greater work could men apply themselves to? According to the manner in which we were able to settle those splendid soldiers of ours, so would the future spirit of industry be determined. If we were unable to return them to regular employment, well then they would experience a sense of regret, and ask us what they had been fighting for. We wanted to show them we were going to spend as much concern about returning them to civil life as we spent in persuading them to enlist into those wonderful armies which had constituted one of the world's wonders. (Applause.) He believed that in this district, as well as in many other districts, employers had solemnly undertaken to reinstate many of our soldiers. Dr. Addison and himself rejoiced to know that approximately 60 per cent. of our soldiers had such promises. (Hear, hear.) Many men were being discharged day by day, and he had pleasure in acknowledging this fact that up to the present the employers had fulfilled their undertakings in complete and most honorable fashion. (Applause.) And they believed that would be so throughout the whole of demobilization, but there would be many other questions to consider arising out of this war.

THE TRAINING OF MEN

There was the training of men. They were concerned, of course, in educational matters. (Hear, hear.) They were going to give special consideration to invention and research questions. (Hear, hear.) Why? Because they understood that in future the efficiency of the individual workman would be a world-wide test, and after all he thought they were able to say that we had suffered a good deal in past years because of our neglect of the educational side of industry. (Hear, hear.) He had no desire simply to see a man made a perfect workman. He wanted him to be a good workman and a good citizen. But he recognized, whilst he was anxious for the highest possible form of educational development, he also wanted to see workmen having the greatest possible amount of technical skill, in order that they might prove to be what the British workmen had hitherto shown, the best and most efficient workmen by the test of either quality or quantity in production. And after the war they would find that the necessity for increased production would be keener perhaps than any of them appreciated. There were some in their midst who felt that those of them who talked about large output were simply concerned to gull the workman into producing a great deal of wealth for the benefit of others than themselves. He told his friends that much more wealth must be produced after the war if this country had to liquidate its war indebtedness, and to embark on that great policy of expansion which was necessary if we were to provide security for every family in the land, and whilst he, as a trade unionist, recognized that some of the restrictions we had imposed were to be justified in all times, there were other restrictions which were not so defendable in the national interest.

MINIMUM STANDARD

And it was in a Council like that that they would be able dispassionately to reveal these matters and if there were restrictions which could not be defended, then the workman would be prepared to remove them providing he got some compensation for the things he would be called upon to remove. He wanted to see a minimum living standard for every worker in the land, and over and beyond that perfect latitude whereby through the exercise of additional skill or acquired experience the workman might be fully rewarded and thus be a source of profit to the community. Let them banish from their minds the idea that wages ought to be depressed to the lowest limit. (Hear, hear.)

Let every workman be encouraged to earn as much as possible, for by that means something would be done to increase the efficiency of all classes, and it would contribute in a substantial degree to the stability of the country. Dr. Addison had pointed out to them many other things they ought to undertake, and it ought to be very encouraging to them to know—having Dr. Addison's assurance reinforced by his own—that in the future the Government intended to recognize these Councils as a medium to which they would turn for the purpose of getting guidance in all matters affecting these industries. Whether it be legislatively or administratively, these bodies would take an important part in the affairs of the nation in time to come.

AN AUTHORITATIVE VOICE

He was sure that if they could get a powerful authoritative voice coming from a particular industry, even if the things they asked for happened to be heterodox or happened not to compare with the fiscal policy of the party in power, well, no Government could ignore the voice of a trade like the pottery trade. The united voice of industry could ask for anything. He hailed the establishment of that Council, not merely because it represented an idea he had long held, but because it would remove from the cockpit of party politics many questions of industry and we should be able to look at them not from the point of view of party but from the standpoint of each particular industry.

And so he said that if bodies like that made a representation to any Government with which he was associated, whatever the contemplated changes were, he would recognize they were right and desirable, because those in the industries were most competent to judge of the interests of those industries. (Hear, hear.) He viewed with very great pleasure the establishment of bodies of that character, because they would help to remove from the enervating atmosphere of party politics many things which needed to be placed in their proper perspective and viewed from the standpoint of the best interests of industry, so long as they could be squared with the interest of the community as a whole.

AFTER-WAR SHORTAGE

Dr. Addison had made reference to certain important inquiries, on which he would desire to consult them after the war. He had pointed out that owing to the war and the withdrawal from industry in all the belligerent countries of all classes of people, there must be a considerable shortage of materials requisite for industrial af-

fairs, and that that would require that Dr. Addison, through his Department would appeal for industry to continue under some form of State control for a limited period. Some of them were hoping that it would be a very limited period, but they were all reconciled to the fact that there must be some control for a period after the war. Dr. Addison had also shown to them that this shortage of material would require a measure of rationing in most industries, and he agreed with him that those engaged in the industry were the people best qualified to undertake this very delicate task. Certainly they could do it better than any Government Department.

If it was that an industry was unwilling to establish a Council of that character, then the task of rationing would have to be undertaken, and the Government would have to do it, whereas the Government had expressed a willingness and a desire that the people in the industries should do it for themselves. He thought they would find that these Councils were endowed with great responsibilities, and that they were fraught with great possibilities. In fact he would be a bold man and require prophetic vision to place any limitation to the possibilities of Councils of that character. He thought these bodies would become more and more woven into the fabric of the future State.

THE RIGHT END

He was certain they were beginning at the right end, that right end being the promotion of a better understanding, the establishment of a more perfect relationship between employers and employed. He made the prediction that those who had come together in the pottery trade into this movement would never regret that venture, and would look back to that day as a red letter day in the history of the industry. (Hear, hear.) He wanted to add one further word. Let not the employers on the one hand nor the workpeople on the other think that the mere establishment of that Council ended all their difficulties. They had simply fashioned the machine that might lighten their difficulties.

They might clear many obstacles from their path, but it was only proportionately as they were able to knit themselves together and to prove that their respective interests overlapped one another, and that there was no sharp line dividing employers and employed, and that the recognition of each was necessary to the other, and that the interests of each had properly to be safeguarded—then, if they did that, though Dr. Addison and himself might not live to see the fruition of the whole of their labors, he honestly believed that when Dr. Addison and himself cleared the political stage, they would

recognize that, having been privileged to be associated with the first meeting of that Council, they were in at the beginning of a great movement, which would ultimately effect a better industrial relationship throughout the land. In that way they would also be associated in placing the country on a firmer, fairer, juster basis for all time. (Loud applause.)

MR. TUNNICLIFFE

Mr. W. Tunnicliffe (President of the National Pottery Workers' Society) proposed a vote of thanks to Dr. Addison and Mr. Roberts, and referred to their speeches as instructive and inspiring. He said that Dr. Addison need not have any concern about them crushing the consumer, because the potting industry could even now commence to pay a decent living wage and a fair profit to those engaged in the industry, without the consumers greatly feeling the pinch. He wanted to suggest that seeing that that was the birth of the National Council, Dr. Addison and Mr. Roberts should be recognized as its godfathers, and whenever they had any important things to place before the Government, it would be possible for them to make their presence felt on the Council's behalf. (Hear, hear.) He hoped that the interest in evidence that day was only an earnest of the spirit that was going to pervade the industrial Council in connection with the potting industry in the years to come.

MR. J. C. BAILEY

Mr. J. C. Bailey said that in this district they had an Arbitration and Conciliation Board in existence for some 40 years. It was true there had been short breaks, but even in those times the rules that had governed that board had been largely operative. They had had many disputes and many difficulties to settle, but they had generally been settled not by strikes and lock-outs, but by a cross table conference between employers and men. What had brought the National Council into existence was, in a large measure, the fact that the bulk of the principal firms in the district had been members of the Manufacturers' Association, and they had invariably attended the meetings themselves. On the other hand, the whole of the leaders of the employees had been men who thoroughly understood what they were talking about, and at some time or other earned their livelihood in the industry itself. When he told Dr. Addison and Mr. Roberts that a dozen in the potting trade sometimes comprised 72 articles, and that one article might count as two dozens—(laughter)—they would understand that the men who discussed the various differences had to know what they were talking about.

(Hear, hear.) That had all created the atmosphere which enabled their good friends Mr. Rowntree, Mr. Wethered, Mr. Clay, and the Master of Balliol to advise them with regard to that Council, and they owed it to them that North Staffordshire had been the first to form a National Council. (Hear, hear.) He was proud the Council had been formed, and they intended to pull all together in the future. (Hear, hear.) There was one word of warning, and that was to ask for the virtue of patience. They had launched that day a vessel, they had appointed a crew, and they had certain ports at which to call. Now, they might not make those ports as quickly as some would think they ought to do, but let them have patience, and so long as they were making progress, let them go on with the scheme and he believed eventually they would get there. (Hear, hear.) In offering to those gentlemen who took up that scheme their thanks, he hoped that they would be able to look back in years to come and not be sorry for their presence that day and in giving to them the benefit of their addresses. (Applause.)

The resolution was carried with loud acclamation.

Dr. Addison said both Mr. Roberts and himself thanked them very much indeed. He need not say more. (Applause.)

INTERESTING PRESENTATIONS

The Chairman said that concluded the meeting, and they now proceeded to an interesting little function. It was felt that the members of the Council would like to make a presentation to Mr. Rowntree, Mr. Wethered, and Mr. Clay for the valuable work they had done in connection with the formation of that Council. He asked Mr. Rowntree's acceptance of a basalt bowl and two jasper vases, Mr. Wethered's acceptance of two jasper cases of the "Dancing Hours," and Mr. Clay's acceptance of a china tea set and a bust of Scott in basalt ware.

Loud applause followed each presentation.

MR. ROWNTREE

Mr. Arnold Rowntree, M.P., responding in acceptance of the gift presented to him, said that the suggestion of the joint Council did not come from Mr. Wethered, Mr. Clay and himself, as had been stated. It came first of all from that gathering of the operatives at Lawton Hall, and he and his friends were simply the vehicles by which the suggestion came before the manufacturers, who cordially accepted it. Then they all came together at Lawton Hall and made the actual arrangements for carrying the matter to its present stage. He thought the two right honorable gentlemen, to

whom they had listened with so much interest, would agree that that was exactly the way they liked things to happen; that it was better for such a movement to be the spontaneous wish of the trade, rather than there should be any undue pressure exerted from the center.

It was important to remember that it was spontaneous because to him, at any rate, that was such a justification of the greatness of the general principles of the Whitley report. When he had listened to them for four and a half days discussing this question, he was certain when he saw the Whitley report, afterwards, that it was founded on true and correct principles, because he had seen it evolved by them. He did hope that the spirit in which the Council had been formed would pervade its future deliberations. (Hear, hear.) It was essential that whilst they must look to increased production, and all that kind of thing, still it was essential that we should not let the material side of commerce submerge us, but that all along we should remember that we were dealing with human persons, and that what we wanted was not merely the large amount, but the production of real human citizens.

TRIBUTE TO CHAIRMAN

He believed that the result of the Council would be that they would have a far greater pride in their industry, and that they would have a far greater pride in the Potteries as a whole. He did not forget that their Chairman was sitting in the right place. He bore an honored name, which had made the Staffordshire pottery industry famous all over the world. (Hear, hear.) Nor did he forget that it was Major Wedgwood's happy chairmanship at the employers' meeting that got them over many difficulties, and he was delighted to think that Major Wedgwood was now in the chair, presiding at that first Council meeting, and to think that the Council was going to have the benefit of his personality and his wise guiding spirit. He thanked them for their most generous present, and he could tell them that all through his life he should treasure it as one of the pleasantest and happiest gifts he had ever received. He hoped his uproarious children would not break the "jars" but that they would go down to further generations. (Laughter and applause.)

Mr. Wethered said he should value the vases very deeply. The three days he spent at Lawton Hall marked an historic occasion, and he took it as a great honor that they should have appointed him an honorary member of that Council. He believed they had taken the first definite step forward in a great policy. They were to be

congratulated not only in forming the first National Council but in anticipating the Whitley report by two months. (Applause.)

Mr. Clay said it had been a privilege to be associated with the members of the Council. The idea of the Council was sound, but it was to be regretted that it had taken the war to teach them that they must consolidate their forces to meet with success in the future and to deal properly with the industrial problems that arose. It was essentially the first step of reconstruction. He heartily thanked them for the presents they had so kindly given him. (Applause).

The members of the Council then adjourned for dinner prior to the evening meeting at the Victoria Hall, Hanley.

APPENDIX J

TRADE PARLIAMENTS

Why They Should Be Formed
and
How to Form One in Your Trade

An Explanation of the Whitley Report

TRADE PARLIAMENTS

THE RECONSTRUCTION OF INDUSTRY BY INDUSTRY ITSELF

The writer who desires to think accurately on trade questions must start with three simple propositions. In the first place, almost the whole duty of the British nation after the war—Government and people alike—may be summed up in the phrase "Political and Industrial Reconstruction." With the vast issues involved in political reconstruction this pamphlet has nothing directly to do. It is worth while to remember, however, that the task of rebuilding the political fabric of the British Empire will be greatly simplified if merchants and manufacturers, business men and working men, can reach some broad basis of agreement about social and economic reconstruction. The purely political work of our statesmen will be much easier if the industrial and trading classes shoulder the main burden of industrial reconstruction themselves. It is the work of these classes to prepare schemes, suggest policies and discuss possible lines of development, leaving to the Government and Parliament in the main the simpler task of putting their plans and ideas into final legislative form.

THE PROBLEM IS URGENT

Secondly, the business of industrial reconstruction is urgent. It cannot wait. So essential is it to come to an early understanding about the main principles of industrial policy that even while the book of the war is still unfinished it is necessary to write the first few chapters in the book of peace. To be ready for peace, we

must prepare during war. Unless our schemes for industrial reconstruction are well under way when peace is declared, our industrial competitors may easily steal a march on us, and a golden opportunity be lost forever.

INDUSTRY RESPONSIBLE FOR ITS OWN DEVELOPMENT

In the third place, while industrial reconstruction will be the work of many minds, the direct contribution it is in the power of manufacturers and workpeople to make towards this great undertaking cannot be over-rated. The statesman can help the matter forward by his administrative ability, his power to see all sides of national life and to blend the valuable parts of historical tradition with the economic requirement of the new national environment. The idealist can help it forward by his dreams of a perfected industrial State. But the principal task must lie in the hands of the practical men of affairs, who have built up our great national trades, who are familiar alike with the present industrial situation and with the needs of the new industrial era on which we are entering. Each trade—that is to say the brain and manual workers in each trade—has got a sphere of almost incalculable importance in creating the new industry of the future.

THE WHITLEY REPORT

It is because these facts have been growing on the consciousness of the country that the Whitley Report has aroused such intense interest. In the United Kingdom it has been hailed with enthusiasm in every quarter. It has many ardent supporters. It has few open or avowed enemies. In Germany the prospect of British manufacturers adopting the principles of the Whitley Report is apparently viewed with considerable disquietude. A leading newspaper in South Germany, the "Münchner Neueste Nachrichten," recently said, in an article on the Report: "The attempts made by the English to reform industry deserve consideration by us also, since in the great struggle after the war that nation will certainly come off best which carries over unimpaired from the war period into peace the ideal of work for the common good, and which takes due account not only in politics but in the organization of industry, of the self-consciousness of the people which has grown so immensely during the war. Without losing sight of our own special circumstances, we have every reason to follow with the greatest attention the development of the situation in England." If this is the typical attitude of our national enemies it is worth while pressing home the moral of the Whitley Report. Although, as has been said, it has

its enthusiastic supporters, every new departure must make good its case before a vast army of lukewarm Laodiceans. Mr. Bonar Law has said that we must not spread the redemption of the national debt over a long period of years, but that we must aim at its early reduction to manageable proportions. Similarly it will be of little avail for purposes of reconstruction if we take ten years or a generation to put into practical shape the ideas underlying the Whitley Report. It must be now or never. What, then, is the great idea underlying this historic document?

ITS ROOT IDEA

The great conception is that each industry is a unit. An industry is not a collection of individual firms, each of which has no connection, except as a competitor, with all the others. Industrial concerns, manufacturing or trading in the same commodity or group of commodities, are not to be regarded as simply or even mainly competing for the supply of the same or adjoining markets. A trade is something bigger and finer than the mere sum of units that compose it. It has its own problems, its own internal questions of organization and methods of production, its own special sources of raw material, its own peculiar difficulties regarding access to markets, home and foreign, its own particular attitude on the one hand to capital and on the other hand to labor. Further, each trade stands in a well-defined relation to the State, to the consuming public, and to the transport and financial system, on which, in the modern industrial world, all trades and businesses depend in the last resort. Hitherto no trade has had a corporate organization. When, as has happened during the war, the Government has desired to deal with a trade as a whole, machinery for the purpose has had often to be very hastily improvised. We have seen the advantage of industrial organization during war. It is plain that such organization must have equal, or greater importance in the subsequent time of peace.

THE ORGANIZATION OF AN INDUSTRIAL COUNCIL

The form the organization of an industry should take has been called the Industrial Council. Before analyzing its functions, it is necessary to describe how such a Council should be constituted. In the first place it is intended that each Council shall deal with the whole trade or industry and not with any special branch. There cannot be in one trade one Council representing Capital, another representing Management, and a third representing Labor. The whole object in having a Council is to bring together all the factors

in the trade. A trade does not belong to the Capitalist as such, nor to Management as such, nor to Labor as such. But all these elements ought to be represented on the Council. Again, a Council should not be composed of representatives of individual capitalists, employers or workpeople. It ought to be an Association of Associations. In other words, it ought to consist of representatives of all the employers' groups and of all the trade unions covered by the particular industry.

AN ASSOCIATION OF EMPLOYERS' ASSOCIATIONS AND TRADE UNIONS

The formation of an Industrial Council does not make the provision of other forms of industrial union less essential. It rather pre-supposes them. Without effective employers' associations, and trade unions it is impossible to form a Council. The wider and the more representative the collection of associations that appoint delegates to the Council, the more effective it is likely to be.

NO INTERFERENCE WITH THE INDIVIDUAL MANAGEMENT OF INDUSTRIES

Again, the formation of an Industrial Council will not interfere in the slightest degree with the existing system of business management by individuals, firms and companies. The State has imposed a large measure of control during war, to which all manufacturers, large or small, have been compelled to conform. After the war there is likely to be an instant and even a peremptory demand that the State should release its grip and allow business to go back into the old channels. Suppose, then, that in a given trade a Council is set up during the war. What will be the position at the end of the war? The Orders and Regulations of Government Departments will gradually be abrogated and disappear. But the individual manufacturer will find the situation very different from what it was before the war. There may very well be a shortage of this or that essential material, old markets may be closed and new markets opened under novel conditions. This or that unexpected emergency may arise. Here the utility of the Industrial Council will appear. In that Council all questions affecting the welfare of the trade will be discussed weekly or fortnightly or monthly as the case may be. The whole experience of the trade, the knowledge of its leading members about general conditions will be open and available to the humblest member of the trade. He will still manage his business himself, but he will have more than his own business ability and knowledge to rely on. He will be able to draw on the whole experience and ability of the trade in order to reduce untoward risks and to eliminate many causes of failure. Or if, in the interests of the

whole trade, some forms of regulation must be temporarily maintained after the war, it is better surely that these regulations should be imposed by the trade itself than by the State. An Industrial Council, properly manned, and with functions corresponding to its own dignity and importance, is a better legislative body in all matters relating to the trade than a Government Department, however well qualified, which has to rely on the opinions and judgment of outsiders. An Industrial Council can speak for the trade. A Government Department, at the best, can only accept and act upon the opinions of its own appointed experts whose knowledge may be limited.

THE RELATION BETWEEN THE STATE AND THE INDUSTRIAL COUNCILS

(1.) An Industrial Council would, then, in a particular industry be composed of representatives of associations of employers and working people, and would constitute an effective parliament or representative body for the discussion of all matters referred to it by agreement or legislative enactment or, in course of time, by the custom of the trade. No Council can be formed without the assent and coöperation of both employers and employed. The larger interests of the industry as a whole, as contrasted with the interests of an individual business, are the affair of all who derive their income or livelihood from the industry, whether they are paid weekly, monthly, or twice a year.

(2.) In order to safeguard the interests of the trade, and to deal with special emergencies as they occur, the Council ought to meet frequently. Its discussions must be open to the trade, reports of its proceedings must be widely circulated, and every attempt must be made to inform the whole trade of the results of its deliberations.

VARIETY OF CONSTITUTION ESSENTIAL

Within these limits there will be room for a great variety of constitution and of methods of conducting the Councils. What is suitable for one industry will not necessarily be suitable for another industry. The important point is that every industry should have a Council or representative body, and that this body should include both workpeople and employers, and that its proceedings and decisions should be fully reported to the trade.

THE INDUSTRIAL COUNCIL AS A FORUM FOR THE DISCUSSION OF ALL INDUSTRIAL QUESTIONS

Mere machinery, it may be said, is quite unimportant. What

are the Councils to do once they are created? This is a point that is often made, but, in the opinion of the writer, it overlooks one vital fact. The mere creation of a representative body for each industry would be in itself a highly important event. All the authorities on the British Constitution are agreed that it is only one of the functions of Parliament to act as a legislative body. Its main function is to be the forum to which all matters affecting the welfare of the people of the country can be brought for discussion. Similarly an Industrial Council, by acting as a forum for the discussion of all trade questions, will enable all grievances to be ventilated and all probable future perils to the industry to be anticipated, and, if possible, averted. The mere existence of Industrial Councils will give a new status and power to British industry.

PROBLEMS OF THE TRANSITION PERIOD

But the question of function, although perhaps subsidiary, is also important. Here the post-war period may be considered as falling into two divisions: (1) the period immediately following the peace—the transition period—and (2) the subsequent period, i.e., the period that will begin when industry shall have again settled down into something like routine. The problems that an Industrial Council will have to meet during the first period are obvious enough.

(a) DEMOBILIZATION

There are questions like demobilization. The Government will want to know how many men will be required immediately after peace in a given industry to meet the prospective demand of the consuming public. Some industries are now essential for war purposes, other industries will then be essential for peace purposes. Only a Council representing the whole trade can give the Government the information it requires or deal with the matter as a whole.

(b) APPRENTICESHIP

There is also the question of apprenticeship. Much former custom and usage have been shattered by the war. The temporary adoption of conscription has naturally led to the inadequate training of the younger men and women. How this defective training can be quickly made good, and what conditions of apprenticeship shall be required in the future in view of the changed character of many industries, these are problems on which the Government will require advice that no authority but a representative Council is in a position to offer. The war has taught us much about intensive training and workshop organization. How far are we to profit permanently by these lessons?

(c) RAW MATERIALS AND ALLIED QUESTIONS

Further, there are problems connected with the supply of raw materials and their distribution which can only be dealt with in a similar way. Many others may be suggested. But the desirability, indeed, the absolute necessity, for such Councils will be apparent when it is borne in mind that after the war the whole system of international commerce and finance will be in the melting pot.

(d) THE CONFUSION OF THE TRANSITION PERIOD

It will be a time of extraordinary confusion. Even the largest and best established industries will have to face tremendous problems. For smaller industries the situation may present irretrievable dangers, unless they organize themselves betimes to ensure that their needs are seriously considered and their place in the industrial system made thoroughly secure.

THE PERMANENT PROBLEMS OF INDUSTRY

In the larger world, however, on which industry will enter after the period of transition is over, these Councils will have an even greater sphere of usefulness. The student of this side of the subject would do well to read Mr. Benn's "Trade of To-morrow." The Whitley Report enumerates a number of matters that may be handed over to the Councils for special consideration and treatment. But the eleven questions suggested as appropriate are merely illustrations of the kind of work such bodies ought to undertake.

(a) RESEARCH AND EDUCATION

The provision of new sources of raw materials, the endowment of special research work for making new raw materials available and for reducing the number of processes and of cost in manufacture, the elaboration of schemes for technical and commercial education, are important objects for which no single manufacturer can provide, but on which the Council might throw much light.

(b) THE DEVELOPMENT OF EXPORT TRADE

Further, the development of the export trade, as for instance by the adoption of a better Consular Service or the coöperative employment of commission agents or travelers in foreign countries, these are also matters which would naturaly devolve on the Council.

(c) HARMONY BETWEEN LABOR AND CAPITAL

Thirdly, there is the great group of labor questions, on the proper solution of which the whole social structure depends. In this con-

nection it is necessary to remember two points of surpassing importance. The Labor Problem, as it is commonly called, is not simply or even mainly a matter of wages or wage adjustments. It is much rather a question of a consciously felt want of knowledge. The community recognizes the worth and ability of Labor. But Labor feels that many sides of modern industry are a closed book to it. Questions of finance and bookkeeping, the whole commercial and technical side of industry, are beyond its ken. Hence the indignant protests of the whole modern Labor movement. It feels itself in the grip of impersonal forces which act blindly, but which it cannot control. Now the individual manufacturer may have a difficulty in acting with labor in such matters in his own individual business. But by giving representatives of Labor seats on the Council Board of an industry the situation will be radically changed. Knowledge of the general conditions of trade, the varying costs of raw materials, the constantly recurring difficulties about finance and transport in backward foreign markets—these are just a few illustrations of the thousand and one difficulties of the modern manufacturer which Labor will begin to know and appreciate.

INDUSTRIAL COUNCILS *NOT* WAGES BOARDS UNDER A NEW NAME

But again, if the individualistic manufacturer must widen his range of vision to the conception of a trade as a whole, in which Labor is interested jointly with Capital, the idea that an Industrial Council is a new name for a kind of glorified Conciliation Board or Wages Board must also completely disappear. Its objects are not limited to the settlement of wage differences. Nothing need be said against Conciliation Boards or similar bodies. They have done useful service in the past, and they are capable of doing valuable work in the future in a selected number of industries. But to-day, to use a famous phrase of Burke, men's minds are being irresistibly drawn to a higher conception of the part which Labor and Capital can jointly play in shaping and controlling the industry of the future. In this connection it is very important to remember the subheading in Section 16 of the Whitley Report, which suggests for special mention as falling to Industrial Councils such subjects as the better utilization of the practical knowledge and experience of the workpeople, and of inventions and improvements designed by workpeople, and the coöperation of the workpeople in carrying into effect new ideas about the organization of industry and the improvement of processes.

AN INDUSTRY NOT A COLLECTION OF SEPARATE FIRMS

All this is important because an industry must be considered, as has already been said, as something more than a collection of individual firms. Each industry has a common viewpoint, common problems, common interests. The manufacturer A.B. may have his special interests, which differ from those of C.D., E.F., or G.H. But besides these special interests of individual concerns there are involved in every industry common objects or interests, and in the discussion of these general problems in a large and statesmanlike way, Labor is as much concerned as Capital. Indeed, it will probably surprise many employers when they first sit round a Council Board to discuss with representatives of Labor the fundamental problems of the industry, to discover how many ideas of substantial worth Labor has to contribute towards their solution.

THE CORPORATE INTERESTS OF INDUSTRY IN ITS SPECIAL PROBLEMS

The modern industrial problem is too big for the small employers; it is too big for the larger employers, or even for all employers together. It demands a coöperative effort on the part of the best brains of Labor as well as of Capital and Management. Such ability will best be put at the service of industry through the establishment of Industrial Councils in every industry.

It only remains, in conclusion, to point out the supreme advantages to be gained by creating these Councils.

IMPROVED SOCIAL STATUS OF THE INDUSTRIAL CLASSES

(1) They will eliminate the false distinction so often drawn between trade and the professions. Lawyers, doctors, and clergymen, through their own organizations or guilds, have a definite professional status conferred on them by the State and recognized by the general community, in virtue of which they all feel that in doing their ordinary work they are rendering an important national service. Trade is also a national service. By organizing industries in great National Councils, not only manufacturers and traders, but the artizans, and all ranks in industry would feel that they, too, were professional men, performing work of national moment. To arouse a real *esprit de corps* in industry will be a substantial national gain.

THE PLACE OF INDUSTRY IN THE COMMUNITY

(2) An industry knows its own needs better than any Government or outside body. By setting up Industrial Councils we shall make each industry, as it were, a self-conscious body, without in the least

detracting from the overriding authority of the State. Every industry will then for the first time have a recognized place in the body politic. In this way also a new spirit will be created in each trade. It will have a new sense of its own value and importance to the community.

THE ADVANTAGE OF INDUSTRIAL COUNCILS TO THE STATE

(3) The State will also have a definite advantage, inasmuch as for the first time it will have a single organization to approach in all matters relating to a particular industry. Hitherto no one body has been in a position to voice the needs or desires of a given trade. The new arrangement will tend to greater simplification and ease of working. The old multiplication of authorities will disappear, and the adjustment of questions between an industry and the Government of the day will be more smoothly and rapidly effected.

THE SELF-DEVELOPMENT OF EACH INDUSTRY

(4) An Industrial Council will prepare the way for the self-development of each industry. Any persons with new ideas regarding the better working of trade, better methods of production, new processes, will have a responsible body to whom they can go. The industry as a whole will have an organ for its own improvement. And the control of that organ will rest not in the hands of a Government Department, but with the members of the trade itself. Each industry will in a sense run itself and be responsible for its adaptation to the requirements of each new situation that arises.

A STEPPING STONE TOWARDS INDUSTRIAL RECONSTRUCTION

(5) Last, but by no means least, the establishment of Industrial Councils will go a long way to reconcile the divergent interests of Labor and Capital. It will be the death blow of the persistent fallacy that Labor is only interested in wages and Capital in profits. The employer and the wage-earner will meet at the Council Board not merely to discuss an increase or reduction of a halfpenny an hour in the remuneration of Labor, but to consider the development and the needs of the whole industry. Both sides in the age-long economic conflict have an equal interest in the growth of their industry and in the discussion of its varied problems. What the future relationships between Capital and Labor may be, time alone can decide. Meantime the opportunity is open for an immense stride forward. Let us seize it at once and work with both hands earnestly to lay the foundations of a new era in the wonderful history of British trade and industry.

REPORT OF THE INDUSTRIAL RECONSTRUCTION COUNCIL

Report for the Year December, 1917–1918

The close of this eventful and wonderful year brings also to an end the first year's work of the Industrial Reconstruction Council. The Council was founded in December, 1917, as a propagandist body for the encouragement of the Trade Parliament movement, and for the education of the business and general community to a new conception of industry and to a true appreciation of the industrial situation. The success which has attended all our efforts, the crowded audiences at our meetings, the eager requests for our speakers, the almost embarrassing demand upon our literature, are a measure of the universal interest now taken in Industrial Reconstruction and an indication of the real progress which the movement for Industrial Self-Government has made.

In our last Report, published at the half-year, it was stated that there was hardly any trade that had not accepted the underlying principles of the Whitley Report. Before reviewing in detail the activities of the I.R.C., to which we venture to attribute a leading share in this result, it may be useful to give a list of the joint bodies now actually in existence and already at work on the problems of reconstruction and industrial development. It will be remembered that these are of three types:—

(a) Industrial Councils, established under the aegis of the Ministry of Labor in trades already well-organized on both sides.

(b) Interim Industrial Reconstruction Committees, formed with the help of the Ministry of Reconstruction in trades where the degree of organization is not sufficient for the adoption of the Constitution of an Industrial Council. These Committees are in all cases encouraging organization in their respective trades, and will eventually transform themselves into Industrial Councils.

(c) Trade Boards, set up by the Ministry of Labor in trades where the organization on the workers' side is poor and the wages are low. These bodies have done and are doing good work, but in so far as they are imposed by the Government upon a trade, with the primary function of settling rates of pay, they cannot be placed in the same category with the other two classes of bodies which are created by the initiative of the trades themselves, and are

concerned not so much with the questions of wages and profits as with the welfare and development of the industry as a whole. It is hoped that as the status and organization of an industry improve, the Trade Board may be superseded by an Interim Committee or an Industrial Council.

(d) Provisional Committees which have been formed to draft constitutions for Joint Industrial Councils.

Joint bodies in one or other of these categories now exist in the following trades. Whatever the official title, most of them look upon themselves as Trade Parliaments:—

Artificial Stone.
Baking.
Basket-making.
Blacksmiths and Farriers.
Bobbin and Shuttlemaking.
Boot and Shoe Trades.
Brass and Copper Trades.
Brush-making.
Building.
Cable-making.
Catering.
Cement.
Chain-making.
Chemicals (Heavy).
China Clay.
Clay.
Cocoa, Chocolate, Sugar Confectionery and Jam.
Commercial Road Transport.
Coopering.
Cotton.
Cutlery.
Electrical Contracting.
Electricity, Power and Supply.
Envelopes and Manufactured Stationery.
Fertilizers.
Furniture.
Furniture, Warehousing and Removing.
Glass.
Gloves.
Gold, Silver, Horological and Allied Trades.
Hollow-ware (Wrought).
Hosiery.
Hosiery (Scottish Section).
Iron and Steel Trades.
Lace Finishing.
Leather Goods and Belting.
Leather Production.
Linen and Cotton Embroidery.
Lock, Safe and Latch.
Matches.
Metallic Bedsteads.
Musical Trades.
Newspapers.
Packing Case Making.
Paint and Varnish.
Papermaking.
Paper and Cardboard Box-making.
Patent Fuel.
Pottery.
Printing.
Quarrying.
Railway Carriage and Wagon Building.
Roller Engraving.
Rubber.
Sawmilling.
Shipbuilding.
Shirt-making.
Silk.

Sugar Refining.
Surgical Instruments.
Tailoring.
Tin Box and Canister Making.
Tin Mining.
Tramways.
Vehicle Building.
Waterworks.
Wire Manufacturing.
Woolen and Worsted.
Woolen and Worsted (Scottish Section).
Zinc and Spelter.

With negotiations now being carried on in every industry in the country, frequent additions to this list may be expected, and we may look forward with every hope to the establishment of a complete system of Industrial Self-Government which will enable British Industry to compete fairly and successfully with that of any other nation in the world.

APPENDIX K

RULES FOR WORKING THE HANS RENOLD SHOP STEWARDS COMMITTEE

1.—A representative may be appointed by and from each department to act as Shop Stewards, who shall retire at the end of twelve months, but shall be eligible for reëlection. Small Departments to be grouped and 2nd Ballot to be taken if no candidate receives clear majority. Any department may appoint a provisional to act in the absence of their elected representative.

2.—In addition to the above, a Chairman and Secretary, independent of any one department, shall be elected at the Annual Meeting, which shall be held in January. They shall act for twelve months, and shall not be eligible for reëlection to either of these offices for a period of twelve months, but shall be eligible for election as Shop Steward.

3.—The Shop Stewards shall be members of a recognized Trade Union or a similar organization, and shall as near as possible represent all grades of labor.

4.—They shall meet regularly once a month, and on other necessary occasions when summoned by the Secretary.

5.—At the first meeting after election they shall elect from their own number an executive of seven including Chairman and Secretary, whose duties shall include attendance at joint meetings held regularly with the Management, to discuss business brought before the full Committee.

6.—The Chairman and Secretary shall perform all such duties as come within the scope of their respective offices, and together shall be the recognized means of discussion with the Management upon a request from either side for an interview.

7.—The representative of any department whose case is to be discussed with the Management must accompany the deputation to the Management, whether he be a member of the Executive or not.

8.—The Shop Stewards shall require all in their department to produce their contribution card once every three months, and no business shall be brought before the Committee on behalf of a non-unionist.

9.—No drastic action shall be taken in any part of the works, unless so decided by a two-thirds majority of a general meeting called for that purpose, unless such action has been ordered by the Trades' Union concerned.

10.—A copy of these rules shall be supplied at cost price to each one working in a department represented on the Shop Stewards Committee.

APPENDIX I.

WORKSHOP COMMITTEES

Suggested Lines of Development

By C. G. Renold

PREFACE

Some time ago I was asked to prepare a memorandum on the subject of Workshop Committees, for presentation to the British Association, as a part of the report of a special Sub-committee studying Industrial Unrest. The following pages contain the gist of that memorandum, and are now issued in this form for the benefit of some of those interested in the problem who may not see the original report.

I have approached the subject with the conviction that the worker's desire for more scope in his working life can best be satisfied by giving him some share in the directing of it; if not of the work itself, at least of the conditions under which it is carried out. I have tried, therefore, to work out in some detail the part which organizations of workers might play in works administration. And believing as I do, that the existing industrial system, with all its faults and injustices, must still form the basis of any future system, I am concerned to show that a considerable development of joint action between management and workers is possible, even under present conditions.

Many of the ideas put forward are already incorporated to a greater or lesser degree in the institutions of these works, but these notes are not intended, primarily, as an account of our experiments, still less as a forecast of the future plans of this firm. Our own experience and hopes do however, form the basis of much here written, and have inevitably influenced the general line of thought followed.

C. G. Renold,
Hans Renold, Limited,
Manchester

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INTRODUCTION

Throughout the following notes it is assumed that the need is realized for a new orientation of ideas with regard to industrial

management. It is further assumed that the trend of such ideas must be in the direction of a devolution of some of the functions and responsibilities of management on to the workers themselves. These notes, therefore, are concerned mainly with considering how far this devolution can be carried under present conditions, and the necessary machinery for enabling it to operate.

Before passing, however, to detailed schemes, it is worth considering briefly what the aims of this devolution are.

It must be admitted that the conditions of industrial life fail to satisfy the deeper needs of the workers, and that it is this failure, even more than low wages, which is responsible for much of their general unrest. Now the satisfaction to be derived from work depends upon its being a means of self-expression. This again depends on the power of control exercised by the individual over the materials and processes used, and the conditions under which the work is carried out, or in the case of complicated operations, where the individual can hardly be other than a "cog in the machine,"—on the willingness, understanding, and imagination with which he undertakes such a rôle. In the past the movement in industry, in this respect, has been all in the wrong direction, namely, a continual reduction of freedom, initiative, and interest, involving an accentuation of the "cog-in-the-machine" status. Moreover, it has too often produced a "cog" blind and unwilling, with no perspective or understanding of the part it plays in the general mechanism of production, or even in any one particular series of operations.

Each successive step in the splitting up and specializing of operations has been taken with a view to promoting efficiency of production, and there can be no doubt that efficiency, in a material sense, has been achieved thereby, and the productivity of industry greatly increased. This has been done, however, at the cost of pleasure and interest in work, and the problem now is how far these could be restored, as, for instance, by some devolution of management responsibility on to the workers, and how far such devolution is possible under the competitive capitalist system, which is likely to dominate industry for many long years to come.

Under the conditions of capitalist industry any scheme of devolution of management can only stand provided it involves no net loss of productive efficiency. It is believed, however, that even within these limits, considerable progress in this direction is possible, doubtless involving some detail loss, but with more than compensating gains in general efficiency. In this connection it must be remembered that the work of very many men, probably of most, is given more or less unwillingly, and even should the introduction of more

democratic methods of business management entail a certain amount of loss of mechanical efficiency, due to the greater cumbersomeness of democratic proceedings, if it can succeed in obtaining more willing work and coöperation, the net gain in productivity would be enormous.

Important and urgent as is this problem of re-arranging the machinery of management, to enable responsibility and power to be shared with the workers, another and preliminary step is even more pressing. This is the establishing of touch and understanding between employer and employed, between management and worker. Quite apart from the many real grievances under which workers in various trades are suffering at the present time, there is a vast amount of bad feeling, due to misunderstanding, on the part of each side, of the aims and motives of the other. Each party, believing the other to be always ready to play foul, finds in every move easy evidence to support its bitterest suspicions. The workers are irritated beyond measure by the inefficiency and blundering in organization and management which they detect on every side, and knowing nothing of business management cannot understand or make allowance for the enormous difficulties under which employers labor at the present time. Similarly, employers are too ignorant of trade union affairs to appreciate the problems which the present "lightning transformation" of industry present to those responsible for shaping trade union policy; nor is the employer generally in close enough human touch to realize the effect of the long strain of war work, and of the harassing restrictions of personal liberty.

More important therefore than any reconstruction of management machinery, more important even than the remedying of specific grievances, is the establishing of some degree of ordinary human touch and sympathy between management and men.

This also has an important bearing on any discussion with regard to developing machinery for joint action. It cannot be emphasized too strongly that the hopefulness of any such attempt lies, not in the perfection of the machinery, nor even in the wideness of the powers of self-government granted to the workers, but in the degree to which touch and, if possible, friendliness can be established. It should be realized, for instance, by employers, that time spent on discussing and ventilating alleged grievances which turn out to be no grievances, may be quite as productive of understanding and good feeling as the removal of real grievances.

Passing now to constructive proposals for devolution of management, the subject is here dealt with mainly in two stages.

Under Section I, some of the functions of management which

most concern the workers are considered, with a view to seeing how far the autocratic (or bureaucratic) secrecy and exclusiveness which usually surround business management, as far as workers are concerned, is really unavoidable, or how far it could be replaced by democratic discussion and joint action. The conclusion is that there is no reason inherent in the nature of the questions themselves why this cannot be done to a very considerable extent.

Section II deals with the second stage referred to, and considers the machinery needed to make such joint action, as is suggested in Section I, workable—a very different matter from admitting that in itself it is not impossible! The apparent complication of such machinery is doubtless a difficulty, but it is not insuperable, and is in practice less formidable than it seems at first sight. It must be realized, however, that the degree of elaboration of the machinery for joint working, adopted by any particular industry or firm, must be in relation to the elaboration of the existing management system. It would be quite impossible for many of the refinements of discussion and joint action suggested to be adopted by a firm whose ordinary business organization was crude, undeveloped, and unsystematic. This point is more fully dealt with in this section.

Section III contains a summary of the scheme of Committees contained in Section II, showing the distribution to each committee of the various questions discussed in Section I.

In Section IV some comments are made, based on actual experience of an attempt to institute machinery of the kind discussed, and some practical hints are given which may be of assistance to others.

Section I

Scope of Workers' Shop Organizations; Management Questions which could be Devolved, Wholly or in Part

It is proposed in this section to consider the activities which organizations of workers within the workshop might undertake without any radical reorganization of industry. What functions and powers, usually exercised by the management, could be devolved on to the workers, and what questions, usually considered private by the management, could be made the subject of explanation and consultation? The number of such questions as set out in this section may appear very formidable, and is possibly too great to be dealt with, except by a very gradual process. No thought is given at this stage, however, to the machinery which would be necessary for achieving so much joint working, the subject being considered

rather with a view to seeing how far, and in what directions, the inherent nature of the questions themselves would make it possible or advisable to break down the censorship and secrecy which surround business management.

In the list which follows, obviously not all questions are of equal urgency, those being most important which provide means of consultation and conciliation in regard to such matters as most frequently give rise to disputes, namely, wage and piece-rate questions, and to a lesser degree, workshop practices and customs. Any scheme of joint working should begin with these matters, the others being taken over as the machinery settles down and it is found practicable to do so. How far any particular business can go will depend on the circumstances of the trade, and on the type of organization in operation.

Though machinery for conciliation in connection with existing troubles, such as those mentioned, must be the first care, some of the other matters suggested in this section—*e.g.*, safety and hygiene, shop amenities, etc.—should be dealt with at the earliest possible moment. Such subjects, being less controversial, offer an easier means of approach for establishing touch and understanding between managers and men.

The suggestions in this section are divided into two main groups, but this division is rather a matter of convenience than an indication of any vital difference in nature. The suggestions are arranged in order of urgency, those coming first where the case for establishing a workers' shop organization is so clear as to amount to a right, and passing gradually to those where the case is more and more questionable. The first group, therefore, contains all those items where the case is clearest and in connection with which the immediate benefits would fall to the workers. The second group contains the more questionable items, which lie beyond the region where the shoe actually pinches the worker. These questions are largely educational, and the immediate benefit of action, considered as a business proposition, would accrue to the management through the greater understanding of management and business difficulties on the part of the workers.

1. *Questions in connection with which Shop Organizations would primarily benefit the Workers.*

This group deals with those matters where the case for establishing shop organizations, to meet the need of the workers, is clearest.

(*a*) *Collective Bargaining.*

There is a need for machinery for carrying this function of the

trade union into greater and more intimate workshop detail than is possible by any outside body. A workshop organization might supplement the ordinary trade union activities in the following directions:—

1. *Wages.*

(Note.—General standard rates would be fixed by negotiation with the trade union for an entire district, not by committees of workers in individual works.)

To ensure the application of standard rates to individuals, to see that they get the benefit of the trade union agreements.

Where a *scale* of wages, instead of a single rate, applies to a class of work (the exact figure varying according to the experience, length of service, etc., of the worker) to see that such scales are applied fairly.

To see that promises of advances (such as those made, for instance, at the time of engagement) are fulfilled.

To see that apprentices, on completing their time, are raised to the standard rate by the customary or agreed steps.

2. *Piece-Work Rates.*

(It is assumed that the general method of rate fixing—*e.g.*, the adoption of time study or other method—would be settled with the local trade unions.)

To discuss with the management the detailed methods of rate fixing, as applied either to individual jobs or to particular classes of work.

Where there is an agreed relation between time rates and piece rates as, for instance, in engineering, to see that individual piece rates are so set as to yield the standard rate of earning.

To discuss with the management reduction of piece rates where these can be shown to yield higher earnings than the standard.

To investigate on behalf of the workers complaints as to inability to earn the standard rate. For this purpose all the data and calculations, both with regard to the original setting of the rate and with regard to time booking on a particular job, would have to be open for examination.

Note.—It is doubtful whether a shop committee, on account of its cumbersomeness, could ever handle detail, individual rates, except where the jobs dealt with are so large or so standardized as to make the number of rates to be set per week quite small. A better plan would be for a representative of the workers, preferably paid by them, to be attached to the rate-fixing department of a works, to check all calculations, and to look after the workers' interests gen-

erally. He would report to a shop committee, whose discussions with the management would then be limited to questions of principle.

3. *Watching the Application of Special Legislation, Awards, or Agreements—e.g.,*

Munitions of War Act, Dilution, Leaving Certificates, etc. Recruiting, Exemptions.

After-War-Arrangements, Demobilization of War Industries, Restoration of Trade Union Conditions, etc.

4. *Total Hours of Work.*

To discuss any proposed change in the length of the standard week. This could only be done by the workers' committee of an individual firm, provided the change were *within* the standards fixed by agreement with the local union or those customary in the trade.

5. *New Processes or Change of Process.*

Where the management desire to introduce some process which will throw men out of employment, the whole position should be placed before a shop committee to let the necessity be understood, and to allow it to discuss how the change may be brought about with the least hardship to individuals.

6. *Grades of Worker for Types of Machine.*

Due to the introduction of new types of machines, and to the splitting up of processes, with the simplification of manipulation sometimes entailed thereby, the question of the grade of worker to be employed on a given type of machine continually arises. Many such questions are so general as to be the subject of trade union negotiation, but many more are quite local to particular firms. For either kind there should be a works committee within the works to deal with their application there.

(*b*) *Grievances.*

The quick ventilating of grievances and injustices to individuals or to classes of men, is of the greatest importance in securing good feeling. The provision of means for voicing such complaints acts also as a check to petty tyranny, and is a valuable help to the higher management in giving an insight into what is going on.

A shop committee provides a suitable channel in such cases as the following:—

Alleged petty tyranny by foremen.

Hard cases arising out of too rigid application of rules, etc.

Alleged mistakes in wages or piece work payments.

Wrongful dismissal, *e.g.,* for alleged disobedience, etc., etc.

In all cases of grievances or complaints it is most important that the body bringing them should be of sufficient weight and standing to speak its mind freely.

(*c*) *General Shop Conditions and Amenities.*

On all those questions which affect the community life of the factory, the fullest consultation is necessary, and considerable self-government is possible.

The following indicate the kind of question:—

1. *Shop Rules.*
   Restriction of smoking.
   Tidiness, cleaning of machines, etc.
   Use of lavatories and cloakrooms.
   Provision, care, and type of overalls.
   Time-booking arrangements.
   Wage-paying arrangements, etc., etc.

2. *Maintenance of Discipline.*
   It should be possible to promote such a spirit in a works that, not only could the workers have a say in the drawing up of Shop Rules, but the enforcing of them could also be largely in their hands. This would be particularly desirable with regard to:—
   Enforcing good time-keeping.
   Maintaining tidiness.
   Use of lavatories and cloakrooms.
   Promoting a high standard of general behavior.
   Etc., etc.

3. *Working Conditions.*
   Meal hours, starting and stopping times.
   Arrangements for holidays, etc.
   Arrangement of shifts, night work, etc.

4. *Accidents and Sickness.*
   Safety appliances and practices.
   Machine guards, etc.
   Administration of First Aid.
   Rest room arrangements.
   Medical examination and advice.

5. *Dining Service.*
   Consultation *re* requirements.
   Criticisms of and suggestions *re* service.
   Control of discipline and behavior.
   Seating arrangements, etc.

6. *Shop Comfort and Hygiene.*

Suggestions *re* temperature, ventilation, washing accommodation, drying clothes, etc.

Provision of seats at work, where possible.

Drinking water supply.

7. *Benevolent Work.*

Shop collections for charities or hard cases among fellow workers.

Sick Club, Convalescent Home, etc.

Saving Societies.

(*d*) *General Social Amenities.*

A works tends to become a center of social activities having no direct connection with its work, for example:—

Works Picnics.

Games, *e.g.*, Cricket, Football, etc.

Musical Societies.

Etc., etc.

These should all be organized by committees of the workers and not by the management.

2. *Questions on which joint discussion would primarily be of advantage to the Management.*

In this group are those questions with regard to which there is no demand put forward by the workers, but where discussion and explanation on the part of the management would be desirable, and would tend to ease some of the difficulties of management. The institution of works committees would facilitate discussion and explanation in the following instances:—

(*a*) *Interpretation of Management to Workers.*

In any case of new rules or new developments, or new workshop policy, there is always the greatest difficulty in getting the rank and file to understand what the management is "getting at." However well-meaning the change may be as regards the workers, the mere fact that it is new and not understood is likely to lead to opposition. If the best use is made of committees of workers, such changes, new developments, etc., would have been discussed, and explained to them, and it is not too much to expect that the members of such committees would eventually spread a more correct and sympathetic version of the management's intentions among their fellow-workers than these could get in any other way.

(*b*) *Education in Shop Processes and Trade Technique.*

The knowledge of most workers is limited to the process with which they are concerned, and they would have a truer sense of

industrial problems if they understood better the general technique of the industry in which they are concerned, and the relation of their particular process to others in the chain of manufacture from raw material to finished article.

It is possible that some of this education should be undertaken by technical schools, but their work in this respect can only be of a general nature, leaving still a field for detailed teaching which could only be undertaken in connection with an individual firm, or a small group of similar firms. Such education might well begin with the members of the committee of workers, though if found feasible it should not stop there, but should be made general for the whole works. Any such scheme should be discussed and worked out in conjunction with a committee of workers, in order to obtain the best from it.

(*c*) *Promotion.*

It is open to question whether the filling of any given vacancy could profitably be discussed between the management and the workers.

In connection with such appointments as shop foremen, where the position is filled by promoting a workman or "leading hand," it would at least be advisable to announce the appointment to the workers' committee before making it generally known. It might perhaps be possible to explain why a particular choice had been made. This would be indicated fairly well by a statement of the qualities which the management deemed necessary for such a post, thereby tending to head off some of the jealous disappointment always involved in such promotions, especially where the next in seniority is not taken.

It has of course been urged, generally by extremists, that workmen should choose their own foremen by election, but this is not considered practical politics at present, though it may become possible and desirable when workers have had more practice in the exercise of self-management to the limited degree here proposed.

One of the difficulties involved in any general discussion of promotions, is the fact that there are so many parties concerned, and all from a different point of view. For example, in the appointment of a foreman, the workers are concerned as to how far the new man is sympathetic and helpful, and inspiring to work for. The other foremen are concerned with how far he is their equal in education and technical attainments, social standing, length of service, *i.e.*, as to whether he would make a good colleague. The manager is concerned, among other qualities, with his energy, loyalty to the firm, and ability to maintain discipline. Each of these

three parties is looking for three different sets of qualities, and it is not often that a candidate can be found to satisfy all. Whose views then should carry most weight—the men's, the other foremen's, or the manager's?

It is quite certain, however, that it is well worth while making some attempt to secure popular understanding and approval of appointments made, and a worker's committee offers the best opportunity for this.

It would be possible to discuss a vacancy occurring in any grade with all the others in that grade. For example, to discuss with all shop foremen the possible candidates to fill a vacancy among the foremen. This is probably better than no discussion at all, and the foremen might be expected, to some extent, to reflect the feeling among their men. Here again, the establishing of any such scheme might well be discussed with the committee of workers.

(*d*) *Education in General Business Questions.*

This point is still more doubtful than the preceding. Employers continually complain that the workers do not understand the responsibilities and the risks which they, as employers, have to carry, and it would seem desirable therefore to take some steps to enable them to do so. In some directions this would be quite feasible, *e.g.*:

1. The reasons should be explained and discussed for the establishment of new works departments, or the re-organization of existing ones, the relation of the new arrangement to the general manufacturing policy being demonstrated.
2. Some kind of simplified works statistics might be laid before a committee of workers. For example:
   Output.
   Cost of new equipment installed.
   Cost of tools used in given period.
   Cost of raw material consumed.
   Numbers employed.
   Amount of bad work produced.
3. Reports of activities of other parts of the business might be laid before them:
   1. From the commercial side, showing the difficulties to be met, the general attitude of customers to the firm, etc.
   2. By the chief technical departments, design office, laboratory, etc., as to the general technical developments or difficulties that were being dealt with. Much of such work need not be kept secret, and would tend to show the workers that other factors enter into the production of economic wealth besides manual labor.

4. Simple business reports, showing general trade prospects, might be presented. These are perhaps most difficult to give, in any intelligible form, without publishing matter which every management would object to showing. Still, the attempt would be well worth making, and would show the workers how narrow is the margin between financial success and failure on which most manufacturing businesses work. Such statistics might, perhaps, be expressed not in actual amounts but as proportions of the wages bill for the same period.

Section II

TYPES OF ORGANIZATION

Having dealt in the previous section with the kinds of questions, which, judged simply by their nature, would admit of joint discussion or handling, it is now necessary to consider what changes are needed in the structure of business management to carry out such proposals. The development of the necessary machinery presents very considerable difficulties on account of the slowness of action and lack of executive precision which almost necessarily accompany democratic organization, and which it is the express object of most business organizations to avoid.

The question of machinery for joint discussion and action is considered in this section in three aspects:—

1. The requirements which such machinery must satisfy.
2. The influence of various industrial conditions on the type of machinery likely to be adopted in particular trades or works.
3. Some detailed suggestions of shop committees of varying scope.

1. *Requirements to be satisfied*

(a) Keeping in Touch with the Trade Union.

It is obvious that no works committee can be a substitute for the trade union, and no attempt must be made by the employer to use it in this way. To allay any trade union suspicion that this is the intention, and to ensure that the shop committee links up with the trade union organization, it would be advisable to see that the trade union is represented in some fairly direct manner. This is specially important for any committee dealing with wages, piece work and such other working conditions as are the usual subject of trade union action.

In the other direction, it will be necessary for the trade unionists to develop some means of working shop committees into their scheme of organization, otherwise there will be the danger of a works com-

mittee, able to act more quickly through being on the spot, usurping the place of the local district committee of the trade unions.

(*b*) *Representation of all Grades.*

The desirability of having all grades of workers represented on works committees is obvious, but it is not always easy to carry out owing to the complexity of the distribution of labor in most works. Thus, it is quite common for a single department, say in an engineering works, to contain several grades of workers, from skilled tradesmen to laborers, and possibly women. These grades will belong to different unions, and there may even be different, and perhaps competing, unions represented in the same grade. Many of the workers also will not be in any union at all.

(*c*) *Touch with Management.*

As a large part of the aim of the whole development is to give the workers some sense of management problems and point of view, it is most desirable that meetings between works committees and management should be frequent and regular, and not looked on merely as means of investing grievances or deadlocks when they arise. The works committee must not be an accidental excrescence on the management structure, but must be worked into it so as to become an integral part, with real and necessary functions.

(*d*) *Rapidity of Action.*

Delays in negotiations between employers and labor are a constant source of irritation to the latter. Every effort should be made to reduce them. Where this is impossible, due to the complication of the questions involved, the works committee should be given enough information to convince it of this, and that the delay is not a deliberate attempt to shirk the issue.

On the other hand, the desire to attain rapidity of action should not lead to haphazard and "scratch" discussions or negotiations. These will only result in confusion, owing to the likelihood that some of those who ought to take part or be consulted over each question will be left out, or have insufficient opportunity for weighing up the matter. The procedure for working with or through works committees must, therefore, be definite and constitutional, so that every one knows how to get a grievance or suggestion put forward for consideration, and every one concerned will be sure of receiving due notice of the matter.

The procedure must not be so rigid, however, as to preclude emergency negotiations to deal with sudden crises.

2. *Influence of various industrial conditions on the type of organization of Shop Committees.*

There is no one type of shop committee that will suit all conditions. Some industries can develop more easily in one direction and some in another, and in this subsection are pointed out some of the conditions which are likely to influence this.

(*a*) *Type of Labor.*

The constitution of works committees, or the scheme of committees, which will suitably represent the workers of any particular factory, will depend very largely on the extent to which different trades and different grades of workers are involved.

In the simplest kind of works, where only one trade or craft is carried out, the workers, even though of different degrees of skill, would probably all be eligible for the same trade union. In such a case a purely trade union organization, but based of course on works departments, would meet most of the requirements, and would probably, in fact, be already in existence.

In many works, however, at least in the engineering industry, a number of different "trades" are carried on. For instance, turning, automatic machine operating, blacksmithing, pattern-making, foundry work, etc. Many of these trades are represented by the same trade union, though the interests of the various sections are often antagonistic, *e.g.*, in the case of turners and automatic machine operators. Some of the other trades mentioned belong to different unions altogether. In addition to these "tradesmen," will be found semi-skilled and unskilled laborers. For the most part these will belong to no union, though a few may belong to laboring unions which, however, have no special connection with the engineering unions. In addition to all these, there may be women, whose position in relation to men's unions is still uncertain, and some of whose interests will certainly be opposed to those of some of the men.

The best way of representing all these different groups will depend on their relative proportion and distribution in any given works. Where women are employed in any considerable numbers, it will probably be advisable for them to be represented independently of the men. For the rest it will probably be necessary to have at least two kinds of works committees: one representing trade unionists as such, chosen for convenience by departments, the other representing simply works departments. The first would deal with wages and the type of question usually forming the subject of discussion between employers and trade unions. The other would deal with all other workshop conditions. The first, being based on

trade unions, would automatically take account of distinctions between different trades and different grades, whereas the second would be dealing with those questions in which such distinctions do not matter very much.

(*b*) *Stability and Regularity of Employment.*

Where work is of an irregular or seasonal nature and workers are constantly being taken on and turned off, only the very simplest kind of committee of workers would be possible. In such industries probably nothing but a trade union organization within the works would be possible. This would draw its strength from the existence of the trade union outside, which would, of course, be largely independent of trade fluctuations, and would be able to reconstitute the works committee as often as necessary, thus keeping it in existence, even should most of the previous members had been discharged through slackness.

(*c*) *Elaboration of Management Organization.*

The extent to which management functions can be delegated, or management questions and policy be discussed with the workers, depends very largely on the degree of completeness with which the management itself is organized. Where this is haphazard and management consists of a succession of emergencies, only autocratic control is possible, being the only method which is quick-acting and mobile enough. Therefore, the better organized and more constitutional (in the sense of having known rules and procedures) the management is, the more possible is it for policy to be discussed with the workers.

3. *Some schemes suggested.*

The following suggestions for shop organizations of workers are intended to form one scheme. Their individual value, however, does not depend on the adoption of the scheme as a whole, each being good as far as it goes.

(*a*) *Shop Stewards Committee.*

As pointed out in the last sub-section, in a factory where the trade union is strong, there will probably be a shop stewards or trade union committee already in existence. This is, of course, a committee of workers only, elected generally by the trade union members in the works, to look after their interests and to conduct negotiations for them with the management. Sometimes the stewards carry out other purely trade union work, such as collecting subscriptions, obtaining new members, explaining union rules, etc.

Such a committee is the most obvious and simplest type of works committee, and where the composition of the shop is simple, *i.e.*, mainly one trade, with no very great differences in grade, a shop stewards committee could deal with many of the questions laid down as suitable for joint handling.

It is doubtful, however, whether a shop stewards committee can, or should, cover the full range of workers' activities, except in the very simplest type of works. The mere fact that, as a purely trade union organization, it will deal primarily with wages and piecework questions, will tend to introduce an atmosphere of bargaining, which would make the discussion of more general questions very difficult. Further, such a committee would be likely to consider very little else than the interests of the trade union, or of themselves as trade unionists. While this is no doubt quite legitimate as regards such questions as wages, the more general questions of workshop amenities should be considered from the point of view of the works as a community in which the workers have common interests with the management in finding and maintaining the best conditions possible. Moreover, in many shops, where workers of widely differing grades and trades are employed, a shop stewards committee is not likely to represent truly the whole of the workers, but only the better organized sections.

The shop stewards committee, in the engineering trade at least, is fairly certain to constitute itself without any help from the management. The management should hasten to recognize it, and give it every facility for carrying on its business, and should endeavor to give it a recognized status and to impress it with a sense of responsibility.

It would probably be desirable that shop stewards should be elected by secret ballot rather than by show of hands in open meeting, in order that the most responsible men may be chosen, and not merely the loudest talkers or the most popular. It seems better, also, that stewards should be elected for a certain definite term, instead of holding office, as is sometimes the case now, until they resign, leave the firm, or are actually deposed. The shop stewards committee, being primarily a workers' and trade union affair, both these points are outside the legitimate field of action of the management. The latter's willingness to recognize and work through the committee should, however, confer some right to make suggestions even in such matters as these.

The facilities granted by the management might very well include a room on the works premises in which to hold meetings, and a place to keep papers, etc. If works conditions make it difficult for the

stewards to meet out of work hours, it would be well to allow them to hold committee meetings in working hours at recognized times. The management should also arrange periodic joint meetings with the committee, to enable both sides to bring forward matters for discussion.

The composition of the joint meeting between the committee of shop stewards and the management is worth considering shortly. In the conception here set forth, the shop stewards committee is a complete entity by itself; it is not merely the workers' section of some larger composite committee of management and workers. The joint meetings are rather in the nature of a standing arrangement on the part of the management for receiving deputations from the workers. For this purpose, the personnel of the management section need not be fixed, but could well be varied according to the subjects to be discussed. It should always include, however, the highest executive authority concerned with the works. For the rest, there might be the various departmental managers, and, sometimes, some of the foremen. As the joint meeting is not an instrument of management, taking decisions by vote, the number of the management contingent does not really matter, beyond assuring that all useful points of view are represented.

Too much importance can hardly be laid on the desirability of regular joint meetings, as against *ad hoc* meetings called to discuss special grievances. According to the first plan, each side becomes used to meeting the other in the ordinary way of business, say, once a month, when no special issue is at stake, and no special tension is in the air. Each can hardly fail to absorb something of the other's point of view. At a special *ad hoc* meeting on the other hand, each side is apt to regard as its business, not the discussion of a question on its merits, but simply the making out of a case. And the fact that a meeting is called specially means that expectations of results are raised among the other workers, which make it difficult to allow the necessary time or number of meetings for the proper discussion of a complicated question.

Where women are employed in considerable numbers along with men, the question of their representation by stewards becomes important. It is as yet too early to say how this situation can best be met. If they are eligible for membership of the same trades unions as the men, the shop stewards committee might consist of representatives of both. But, considering the situation which will arise after the war, when the interests of the men and of the women will often be opposed, this solution does not seem very promising at present.

Another plan would be for a separate women's shop stewards committee to be formed, which would also meet the management periodically and be, in fact, a duplicate of the men's organization. It would probably also hold periodic joint meetings with the men's committee, to unify their policies as far as possible. This plan is somewhat cumbersome, but it seems to be the only one feasible at present on account of the divergence of interest and the very different stage of development in organization of men and women.

(*b*) *Social Union.*

Some organization for looking after recreation is in existence in many works, and if not, there is much to be said for the institution of such a body as the social union here described.

Although the purpose which calls together the members of a works community is, of course, not the fostering of social life and amenities, there is no doubt that members of such communities do attain a fuller life and more satisfaction from their association together, when common recreation is added to common work. It may, of course, be urged, against such a development of community life in industry, that it is better for people to get away from their work and to meet quite another set in their leisure times. This is no doubt true enough, but the number of people who take advantage of it is probably very much less than would be affected by social activities connected with the works. The development of such activities will, in consequence, almost certainly have more effect in spreading opportunities for fuller life than it will have in restricting them. Moreover, if the works is a large one, the diffrences in outlook between the various sections are perhaps quite as great as can be met with outside. For this reason, the cardinal principle for such organizations is to mix up the different sections and grades, especially the works and the office departments.

The sphere of the social union includes all activities other than those affecting the work for which the firm is organized. This sphere being outside the work of the firm, the organization should be entirely voluntary and in the hands of the workers, though the management may well provide facilities such as rooms and playing fields.

Two main schemes of organization are usual. In the first a general council is elected by the members, or, if possible, by all the employees, irrespective of department or grade. This council is responsible for the general policy of the social union, holds the funds, and undertakes the starting and supervising of smaller organizations for specific purposes. Thus, for each activity a club

or society would be formed under the auspices of the council. The clubs would manage their own affairs and make their own detail arrangements.

It is most desirable that the social union should be self-supporting as far as running expenses go, and should not be subsidized by the management, as is sometimes done. A small subscription should be paid weekly by every member, such subscription admitting them to any or all clubs. The funds should be held by the council, and spent according to the needs of the various clubs, not according to the subscriptions traceable to the membership of each. This is very much better than making the finances of each club self-supporting, since it emphasizes the "community" feeling, is very simple, and enables some forms of recreation to be carried on which could not possibly be made to pay for themselves.

The second general type of social union organization involves making the clubs themselves the basis. Each levies its own subscriptions and pays its own expenses, and the secretaries of the clubs form a council for general management. This is a less desirable arrangement because each member of the council is apt to regard himself as there only to look after the interests of his club, rather than the whole. The starting of new activities is also less easy than under the first scheme.

(*c*) *Welfare Committee.*

The two organizations suggested so far, viz., shop stewards committee and social union, do not cover the whole range of functions outlined in Section I. In considering how much of that field still remains to be covered, it is simplest first to mark off, mentally, the sphere of the social union, viz., social activities outside working hours. This leaves clear the real problem, viz., all the questions affecting the work and the conditions of work of the firm. These are then conceived as falling into two groups. First there are those questions in which the interests of the workers may be opposed to those of the employer. These are concerned with such matters as wage and piece rates, penalties for spoiled work, etc. With regard to these, discussion is bound to be of the nature of bargaining, and these are the field for the shop stewards committee, negotiating by means of the periodical joint meetings with the management.

There remains, however, a second class of question, in which there is no clash of interest between employer and employed. These are concerned mainly with regulating the "community life" of the works, and include all questions of general shop conditions and

amenities, and the more purely educational matters. For dealing with this group a composite committee of management and workers, here called the Welfare Committee, is suggested.

This would consist of two parts:—

1. Representatives elected by workers.
2. Nominees of the management.

The elected side might well represent the offices, both technical and clerical, as well as the works, and members would be elected by departments, no account being taken of the various grades. Where women are employed, it would probably be desirable for them to elect separate representatives. If they are in departments by themselves, this would naturally happen. If the departments are mixed, the men and women of such departments would each send representatives.

The trade union or unions most concerned with the work of the firm should be represented in some fairly direct way. This might be done in either of two ways:

1. If a shop stewards committee exists, it might be asked to send one or more representatives.
2. Or each of the main trade unions represented in the works might elect one or more representatives to represent their members as trade unionists.

The management section should contain, in general, the highest members of the management who concern themselves with the running of the works; it would be no use to have here men in subordinate positions, as much of the discussion would deal with matters beyond their jurisdiction. Moreover, the opportunity for the higher management to get into touch with the workers would be too important to miss. It is doubtful whether there is any need for the workers' section of the welfare committee to meet separately, though there is no objection to this if thought desirable. In any case a good many questions can be handed over by the joint meeting to sub-committees for working out, and such sub-committees can, where desirable, consist entirely of workers.

It may be urged that the welfare committee is an unnecessary complication, and, either that its work could be carried out by the shop stewards committee or that the work of both could be handled by a single composite shop committee of management and workers. In practice, however, a committee of the workers sitting separately to consider those interests that are, or appear to be, opposed, with regular deputations to the management, and a composite committee of workers and management sitting together to discuss identical interests would seem the best solution of a difficult problem.

Everything considered, therefore, there seems, in many works at least, to be a good case for the institution of both organizations, that of the shop stewards and that of the welfare committee. The conditions making the latter desirable and possible would seem to be:—

1. A management sufficiently methodical and constitutional to make previous discussion of developments feasible.
2. The conditions of employment fairly stable.
3. The trades and grades included in the shop so varied and intermixed as to make representation by a committee of trade union shop stewards incomplete.

Section III

Summary and conclusions of sections I and II

Gathering together the views and suggestions made in the foregoing pages; it is felt that three separate organizations within the works are necessary to represent the workers in the highly developed and elaborate organisms which modern factories tend to become.

It is not sufficient criticism of such a proposal to say that it is too complicated. Modern industry is complicated and the attempt to introduce democratic ideas into its governance will necessarily make it more so. As already pointed out, the scheme need not be accepted in its entirety. For any trade or firm fortunate enough to operate under simpler conditions than those here assumed, only such of the suggestions need be accepted as suit its case.

The scope of the three committees is shown by the following summary:—

(*a*) *Shop Stewards Committee.*

Sphere. Controversial questions where interests of employer and worker are apparently opposed.

Constitution. Consists of trade unionist workers elected by works departments.

Sits by itself, but has regular meetings with the management.

Examples of questions dealt with:

Wage and piece rates.

The carrying out of trade union agreements.

Negotiations *re* application of legislation to the workers represented, *e.g.*, dilution, exemption from recruiting.

The carrying out of national agreements *re* restoration of trade union conditions, demobilization of war industries, etc.

Introduction of new processes.

Ventilation of grievances *re* any of above.
Etc., etc.

(*b*) *Welfare Committee.*

Sphere. "Community" questions where there is no clash between interests of employer and worker.

Constitution. Composite committee of management and workers, with some direct representation of trade unions.

Sits as one body, with some questions relegated to sub-committees, consisting either wholly of workers or of workers and management, according to the nature of the case.

Examples of Questions dealt with:

Shop rules.

Such working conditions as starting and stopping times, meal hours, night shift arrangements, etc.

Accident and sickness arrangements.

Shop comfort and hygiene.

Benevolent work such as collections for charities, hard cases of illness or accident among the workers.

Education schemes:

Trade technique.
New works developments.
Statistics of works activity.
Business outlook.

Promotions—explanation and, if possible, consultation.
Ventilation of grievances *re* any of above.

(*c*) *Social Union.*

Sphere. Social amenities, mainly outside working hours.

Constitution. Includes any or all grades of management and workers.

Governing body elected by members irrespective of trade, grade, or sex.

Examples of Activities.

Institution of clubs for sports—cricket, football, swimming, etc.

Recreative societies—orchestral, choral, debating, etc.

Arranging social events—picnics, dances, etc.

Provision of games, library, etc., for use in meal hours.

Administration of club rooms.

Section IV

Comments on working

An attempt to institute a scheme of shop committees on the general lines of those here described, revealed certain difficulties, of which the following are instances.

1. *Relations with Shop Foremen*

If a works committee is to deal with the actual conditions under which work is carried on, and if its work is to be real, there is every possibility of friction arising, due to the committee infringing the sphere of authority of the shop foremen. Not only will specific complaints and objections regarding actions or decisions of foremen be brought up, but more general questions of shop management will be discussed, on which the foremen would naturally expect to be consulted, previously to their men. Some of these difficulties would be lessened if the foremen were members of the works committees, but this seems hardly possible, except in very small works.

It must never be forgotten that the foremen have definite management functions to perform which cannot be discharged if their authority is continually called in question, or if they are continually harassed by complaints behind their backs. Nor can they have any prestige if arrangements or rules affecting their control or method of management are made without them having their full share in the discussion of them. The difficulty arises, therefore, how on the one hand, to maintain the foremen's position as a real link in the chain of executive authority, and on the other hand to promote direct discussion between the workers and the higher management. The solving of this difficulty depends to some extent at least on the devising of suitable procedure and machinery for keeping all grades of management in touch with each other, and for confining the activities of the works committees to fairly definite and known spheres.

The exact nature of this machinery would depend on the organization of each particular firm. It will, in general, be advisable to lay down that previous notice shall be given of all subjects to be brought up at a works committee meeting, so that a full agenda may be prepared. This agenda should then be circulated freely among the shop foremen, and other grades of management, so that they may know what is going forward. Full minutes of the proceedings of all meetings should be kept, and these again should be circulated to all grades of management.

To facilitate such arrangements it may be advisable for the

management to provide a secretary whose duties would be twofold; the preparation of the agenda, and the writing out and following up of the minutes. In making out the agenda the secretary should make full inquiries with regard to all subjects brought forward by workers, and should prepare a short statement of each case to issue with the agenda. The secretary in circulating the agenda would then be able to learn, from the foremen and others, to what extent each was interested or concerned in any particular item. Those specially concerned might then be invited to attend the meeting to take part in the discussion. If a foreman intimated that he had decided views on some subject and wished them to be taken into account, discussion at the meeting should be of preliminary nature only and limited to eliciting the full case as seen by the workers. Further discussion with the committee would be reserved until the management had had time to consult the foremen or others concerned.

The certainty, on the part of all grades of management, that no subject would be discussed of which they had not had notice; the privilege of having final discussion of any subject postponed, pending the statement of their views; and finally the circulation of all minutes, showing what took place at the meetings, should go a long way to making the works committees run smoothly.

2. *Provision of facilities for committee work*

For any recognized works committees, the management should see that they have such facilities put at their disposal as will enable them to carry out their work, and will give them standing and authority in the works community. In the case of committees dealing with social work outside the direct work of the shop, all meetings and work can be expected to take place outside working hours. This should also apply in a general way to meetings of shop stewards or of the welfare committee, but it may happen, as for instance where a night-shift is being worked, that it is almost impossible for the members to get together except at some time during working hours. In such cases permission should be given for meetings at regular stated times, say once a fortnight, or once a month, and the attendance at these meetings would be considered part of the ordinary work of the members, and they would be paid accordingly. Where possible, however, it is very much better for meetings to be arranged entirely outside working hours, in which case no payment should be offered, the work being looked on as in the nature of voluntary public work.

A committee room should be provided, and in the case of the

welfare committee, the secretary might also be provided by the management. For firms suitably placed it is most desirable that a playing field should be provided, suitably laid out for various games. Rent can be asked for it by the management if thought desirable and can be paid by a social union such as that described here. In the case of all kinds of recognized works committees the thing to aim at is to make their work an integral part of the organization of the works community, providing whatever facilities are needed to make it effective. On the other hand anything like subsidizing of works committees by the management must be avoided.

THE LABOR PARTY

CONSTITUTION

(*Adopted at the London Conference, February, 26th,* 1918)

APPENDIX M

LABOR PARTY CONSTITUTION

1.—Name

The Labor Party.

2.—Membership

The Labor Party shall consist of all its affiliated organizations,[1] together with those men and women who are individual members of a Local Labor Party and who subscribe to the Constitution and Program of the Party.

3.—Party Objects

NATIONAL

(*a*) To organize and maintain in Parliament and in the country a Political Labor Party, and to ensure the establishment of a Local Labor Party in every County Constituency and every Parliamentary Borough, with suitable divisional organization in the separate constituencies of Divided Boroughs;

(*b*) To coöperate with the Parliamentary Committee of the Trades Union Congress, or other Kindred Organizations, in joint political or other action in harmony with the Party Constitution and Standing Orders;

(*c*) To give effect as far as may be practicable to the principles from time to time approved by the Party Conference;

(*d*) To secure for the producers by hand or by brain the full fruits of their industry, and the most equitable distribution thereof that may be possible, upon the basis of the common ownership of the means of production and the best obtainable system of popular administration and control of each industry or service;

(*e*) Generally to promote the Political, Social, and Economic Emancipation of the People, and more particularly of those who depend directly upon their own exertions by hand or by brain for the means of life.

INTER-DOMINION

(*f*) To coöperate with the Labor and Socialist organizations in the Dominions and Dependencies with a view to promoting the pur-

[1] Trade Unions, Socialist Societies, Coöperative Societies, Trades Councils, and Local Labor Parties.

poses of the Party and to take common action for the promotion of a higher standard of social and economic life for the working population of the respective countries.

INTERNATIONAL

(*g*) To coöperate with the Labor and Socialist organizations in other countries, and to assist in organizing a Federation of Nations for the maintenance of Freedom and Peace, for the establishment of suitable machinery for the adjustment and settlement of International Disputes by Conciliation or Judicial Arbitration, and for such International Legislation as may be practicable.

4.—Party Program

(*a*) It shall be the duty of the Party Conference to decide, from time to time, what specific proposals of legislative, financial, or administrative reform shall receive the general support of the Party, and be promoted, as occasion may present itself, by the National Executive and the Parliamentary Labor Party: provided that no such proposal shall be made definitely part of the General Program of the Party unless it has been adopted by the Conference by a majority of not less than two-thirds of the votes recorded on a card vote.

(*b*) It shall be the duty of the National Executive and the Parliamentary Labor Party, prior to every General Election, to define the principal issues for that Election which in their judgment should be made the Special Party Program for that particular Election Campaign, which shall be issued as a manifesto by the Executive to all constituencies where a Labor candidate is standing.

(*c*) It shall be the duty of every Parliamentary representative of the Party to be guided by the decision of the meetings of such Parliamentary representatives, with a view to giving effect to the decisions of the Party Conference as to the General Program of the Party.

5.—The Party Conference

1. The work of the Party shall be under the direction and control of the Party Conference, which shall itself be subject to the Constitution and Standing Orders of the Party. The Party Conference shall meet regularly once in each year, and also at such other times as it may be convened by the National Executive.

2. The Party Conference shall be constituted as follows:—

(*a*) Trade Unions and other societies affiliated to the Party may send one delegate for each thousand members on which fees are paid.

(*b*) Local Labor Party delegates may be either men or women

resident or having a place of business in the constituency they represent, and shall be appointed as follows:—

In Borough and County Constituencies returning one Member to Parliament, the Local Labor Party may appoint one delegate.

In undivided Boroughs returning two Members, two delegates may be appointed.

In divided Boroughs one delegate may be appointed for each separate constituency within the area. The Local Labor Party within the constituency shall nominate and the Central Labor Party of the Divided Borough shall appoint the delegates. In addition to such delegates, the Central Labor Party in each Divided Borough may appoint one delegate.

An additional woman delegate may be appointed for each constituency in which the number of affiliated and individual women members exceeds 500.

(*c*) Trades Councils under Section 8, clause *c*, shall be entitled to one delegate.

(*d*) The members of the National Executive, including the Treasurer, the members of the Parliamentary Labor Party, and the duly-sanctioned Parliamentary Candidates shall be *ex-officio* members of the Party Conference, but shall, unless delegates, have no right to vote.

6.—The National Executive

(*a*) There shall be a National Executive of the Party consisting of twenty-three members (including the Treasurer) elected by the Party Conference at its regular Annual Meeting, in such proportion and under such conditions as may be set out in the Standing Orders for the time being in force, and this National Executive shall, subject to the control and directions of the Party Conference, be the Administrative Authority of the Party.

(*b*) The National Executive shall be responsible for the conduct of the general work of the Party. The National Executive shall take steps to ensure that the Party is represented by a properly constituted organization in each constituency in which this is found practicable; it shall give effect to the decisions of the Party Conference; and it shall interpret the Constitution and Standing Orders and Rules of the Party in all cases of dispute subject to an appeal to the next regular Annual Meeting of the Party Conference by the organization or person concerned.

(*c*) The National Executive shall confer with the Parliamentary Labor Party at the opening of each Parliamentary Session, and also at any other time when the National Executive or the Parliamentary Party may desire such conference, on any matters relating to the

work and progress of the Party, or to the efforts necessary to give effect to the General Program of the Party.

7.—Parliamentary Candidatures

(*a*) The National Executive shall coöperate with the Local Labor Party in any constituency with a view to nominating a Labor Candidate at any Parliamentary General or Bye-Election. Before any Parliamentary Candidate can be regarded as finally adopted for a constituency as a Candidate of the Labor Party, his candidature must be sanctioned by the National Executive.

(*b*) Candidates approved by the National Executive shall appear before their constituencies under the designation of "Labor Candidate" only. At any General Election they shall include in their Election Addresses and give prominence in their campaigns to the issues for that Election as defined by the National Executive from the General Party Program. If they are elected they shall act in harmony with the Constitution and Standing Orders of the Party in seeking to discharge the responsibilities established by Parliamentary practice.

(c) Party Candidates shall receive financial assistance for election expenditure from the Party funds on the following basis:—

Borough Constituencies, £1 per 1,000 electors.

County Divisions, £1 15s. per 1,000 electors.

8.—Affiliation Fees

1. Trade Unions, Socialist Societies, Coöperative Societies, and other organizations directly affiliated to the Party (but not being affiliated Local Labor Parties or Trades Councils) shall pay 2d. per member per annum to the Central Party Funds with a minimum of 30s.

The membership of a Trade Union for the purpose of this clause shall be those members contributing to the political fund of the Union established under the Trade Union Act, 1913.

2. The affiliation of Trades Councils will be subject to the following conditions:—

(*a*) Where Local Labor Parties and Trades Councils at present exist in the same area every effort must be made to amalgamate these bodies, retaining in one organization the industrial and political functions, and incorporating the constitution and rules for Local Labor Parties in the rules of the amalgamated body.

(*b*) Where no Local Labor Party is in existence and the Trades Council is discharging the political functions, such Trades Council shall be eligible for affiliation as a Local Labor Party, providing

that its rules and title be extended so as to include Local Labor Party functions.

(c) Where a Local Labor Party and a Trades Council exist in the same area, the Trades Council shall be eligible to be affiliated to the Local Labor Party, but not to the National Party, except in such cases where the Trades Council was affiliated to the National Party prior to November 1st, 1917. In these cases the Executive Committee shall have power to continue national affiliation on such conditions as may be deemed necessary.

(*d*) Trades Councils included under Section (*c*) shall pay an annual affiliation fee of 30s.

Local Labor Parties must charge individually enrolled members, male a minimum of 1s. per annum, female 6d. per annum; and 2d. per member so collected must be remitted to the Central Office with a minimum of 30s., as the affiliation fee of such Local Labor Party.

In addition to these payments, a delegation fee of 5s. to the Party Conference or any Special Conference may be charged.

STANDING ORDERS

1.—Annual Conference

1. The National Executive shall convene the Annual Party Conference for the month of June (but not at Whitsuntide) in each year, subject to the Constitution and the Standing Orders, and shall convene other Sessions of the Party Conference from time to time as may be required.

2. In the event of it being necessary to convene the Party Conference upon short notice, in order to deal with some sudden emergency, the Secretaries of the affiliated organizations and Local Labor Parties shall, on receiving the summons, instantly take such action as may be necessary to enable the Society or Constituency to be represented, in accordance with the rules.

3. Any Session of the Party Conference summoned with less than ten days' notice shall confine its business strictly to that relating to the emergency, which cannot without detriment to the Party be postponed.

4. Persons eligible as delegates must be paying *bona fide* members, or paid permanent officials of the organization sending them.

5. No delegate to the Conference shall represent more than one Society.

6. Members of affiliated organizations claiming exemption from political contributions under the Trade Union Act, 1913, shall not be entitled to act as delegates.

2.—Agenda

1. Notice of Resolutions for the Annual Conference shall be sent to the Secretary at the Office of the Party not later than April 1st, for inclusion in the first Agenda, which shall be forthwith issued to the affiliated organizations.

2. Notice of Amendments to the Resolutions in the first Agenda, and Nominations for the Executive, Treasurer, Auditors (2), Annual Conference Arrangements Committee (5), shall be forwarded to the Secretary not later than May 16th, for inclusion in the final Agenda of the Annual Conference.

3. No business which does not arise out of the Resolutions on the Agenda shall be considered by the Party Conference, unless recommended by the Executive or the Conference Arrangements Committee.

4. When the Annual Conference has, by resolution, made a declaration of a general policy or principle, no motion having for its object the reaffirmation of such policy or principle shall appear on the Agenda for a period of three years from the time such declaration was made, except such resolutions as are, in the opinion of the Executive, of immediate importance.

3.—Voting

Voting at the Party Conference shall be by Cards issued as follows:—

Trade Unions and other affiliated Societies shall receive one Voting Card for each 1,000 members or fraction thereof paid for.

Trades Councils affiliated under Section 8, clause *c*, shall receive one voting card.

Every Local Labor Party shall receive one Voting Card for each delegate sent in respect of each Parliamentary Constituency within its area.

Central Labor Parties in Divided Boroughs shall receive one voting card.

4.—National Executive

1. The National Executive shall be elected by the Annual Conference as a whole, and shall consist, apart from the Treasurer, of (*a*) 13 representatives of the affiliated organizations; (*b*) five representatives of the Local Labor Parties; and (*c*) four women. The Executive shall be elected by ballot vote on the card basis from three lists of nominations.

2. Each affiliated national organization shall be entitled to nom-

inate one candidate for List A; and two candidates if the membership exceeds 500,000. Each candidate must be a *bona-fide* member of the organization by which he or she is nominated.

3. Each Parliamentary Constituency organization, through its Local Labor Party or Trades Council, may nominate one candidate for List B, and the candidate so nominated must be resident or have his or her place of business within the area of the nominating Local Labor Party.

4. Each affiliated organization shall be entitled to nominate one woman candidate for List C, and two candidates if the membership exceeds 500,000; whether such nominees are or are not members of the nominating organization.

5. The National Executive shall elect its own Chairman and Vice-Chairman at its first meeting each year, and shall see that all its officers and members conform to the Constitution and Standing Orders of the Party. The National Executive shall present to the Annual Conference a Report covering the work and progress of the Party during its year of office, together with the Financial Statement and Accounts duly audited.

6. No member of the Parliamentary Committee of the Trades Union Congress is eligible for nomination to the National Executive.

5.—Treasurer

The Treasurer shall be elected separately by the Annual Conference. Each affiliated organization may nominate a candidate for the Treasurership independent of any other nomination it makes for the National Executive.

6.—Secretary

The Secretary shall be elected by the Annual Party Conference, and be *ex officio* a member of the Conference; he shall devote his whole time to the work of the Party, but this shall not prevent him being a Candidate for or a Member of Parliament. He shall remain in office so long as his work gives satisfaction to the National Executive and Party Conference. Should a vacancy in the office occur between two Annual Conferences, the Executive shall have full power to fill the vacancy, subject to the approval of the Annual Conference next following.

Nominations for the office shall be on the same conditions as for the Treasurership.

7.—Annual Conference Arrangements Committee

1. The duties of the Conference Arrangements Committee shall be:—

(*a*) To attend at the place of Conference two days before its opening, for the purpose of arranging the Conference Agenda;

(*b*) To appoint Scrutineers and Tellers for the Conference from among the delegates whose names have been received at the Head Office prior to May 31st, such appointments to be subject to the approval of the Conference;

(*c*) To act as Standing Orders Committee during the Conference.

2. Should any of the five members of the Conference Arrangements Committee be unable to fulfil his or her duties, the person who received the highest number of votes amongst those not elected shall be called upon, but should the voting list be exhausted, it shall lie with the Society the member represents to nominate a substitute.

3. Remuneration of the Conference Arrangements Committee, Scrutineers, and Tellers shall be at the rate of 15s. per day.

THE LABOR PARTY

Constitution and Rules for Local Labor Parties in Single and Undivided Boroughs

memoranda

The attention of Local Labor Parties and Trades Councils is specially called to sub-sections 2 and 3 of Section 8 (Affiliation Fees) of the Constitution of the Labor Party. As a condition of affiliation (unless local conditions necessitate a departure from such constitution and rules, in which case the constitution and rules adopted shall be decided upon *after consultation with the National Executive Committee*) the following provisions must be observed by Local Labor Parties and Trades Councils.

1. Subject to alterations approved by the National Executive Committee, Local Labor Parties must adopt the constitution and rules applicable to their area as a condition of affiliation. Local Labor Parties in single and undivided Borough Constituencies, in single-Member County Divisions, and in Divided Boroughs, affiliate to the National Party. Local Labor Parties in municipal boroughs and urban district areas within County Divisions affiliate to the Divisional Labor Party.

2. Trades Councils, affiliated under Section 8, clause *b*, of the Party Constitution, must incorporate the rules applicable to their area in the local Constitution.

3. Complete copies of the rules of Trades Councils and Local Labor Parties must accompany the application for affiliation, and all alterations of rules must be notified to the Head Office with the next payment of affiliation fees.

4. In the London area, Local Labor Parties shall be formed for Parliamentary constituencies with the Metropolitan Borough as the basis for each Local Labor Party. Such Local Labor Parties may adopt the rules for Divided Boroughs or single-member constituencies as local conditions may render necessary, and subject to the approval of the National Executive Committee. A Central Labor Party for the whole London area shall be established upon such basis as may be agreed upon with the approval of National Executive Committee.

5. Trades Councils and Local Labor Parties may adopt additional rules to cover special local purposes, peculiar local conditions, and industrial objects not included in the scope of these rules, provided always that such local rules shall not be inconsistent with the constitution of the Labor Party nor be contrary to the provisions contained in these rules.

6. Where Local Labor Parties and Trades Councils are amalgamated, or where no Trades Council exists, and the Local Labor Party decides to include industrial objects, the following additional rules are recommended, but the adoption of such rules is optional.

OBJECTS

Industrial.—To provide the workers with a means of education upon Labor questions, and to keep an oversight on all matters affecting the interests of Labor, and to discharge the functions of a Trades Council.

MANAGEMENT

The Industrial objects shall be carried out by an Industrial Committee acting as the Trades Council. The Industrial Committee shall consist of the delegates from the affiliated Trades Union branches, and shall meet monthly or as required. Only Trade Union branches shall be entitled to representation on the Industrial Committee, and all purely industrial and Trade Union matters shall be dealt with by this Committee. Where political action is necessary in connection with such industrial matters, the Industrial Committee shall make, through the representatives of the Trades Union Section

to the Executive Committee and the delegates to the General Committee, recommendations with regard to the political action necessary.

THE.....LABOR PARTY

Rules and Constitution

(For single and undivided Borough Constituencies. Trades Councils in such Boroughs affiliated under Section 8, clause b, of the Constitution must incorporate these rules in the local Constitution.)

MEMBERSHIP

1. The Party shall consist of affiliated Trade Union branches, the Trade Council, Socialist Societies, Coöperative Societies having members within its area; also individuals (men and women) willing to work for the objects and subscribe to the Constitution and Program of the Labor Party.

OBJECTS

2. To unite the forces of Labor within the constituency, and to secure the return of Labor representatives to Parliament and upon Local Government bodies.

MANAGEMENT

3. The management of the Party shall be in the hands of a General Committee which shall consist of six sections, viz.:—

(*a*) Representatives of branches of Trade Unions.

(*b*) Representatives of Coöperative Societies.

(*c*) Representatives of branches of other societies eligible for affiliation.

(*d*) Representatives of the Trades Council.

(*e*) Individual men, and

(*f*) Individual women, all of whom must be willing to abide by the Rules of the Labor Party.

4. The basis of representation to the General Committee shall be:—

(a) Branches of Trade Unions, one representative for every 100 members, or part thereof, with a maximum of five representatives from any one branch.

(*b*) Coöperative Societies shall be entitled to representation on the same basis as Trade Unions, *i.e.,* one for each 100 members, or part thereof, with a maximum of five representatives from any one Society. Where such membership exceeds 5,000 the basis of repre-

sentation shall be arranged subject to the approval of the National Executive.

(*c*) Branches of other societies on the same basis as clause *a*.

(*d*) Trades Council, not exceeding five in number.

(*e*) Individual men, such number not exceeding ten, as may be elected by the Section. If the Section comprises more than 1,000 members, then not exceeding one per 100 such members.

(*f*) Individual women, ditto.

The Ward Secretaries shall be *ex officio* members of Sections (*e*) or (*f*).

For the purpose of electing the representatives for (*e*) and (*f*) the Executive Committee shall each year convene a meeting of the members of these sections seven days prior to the Annual Meeting of the Labor Party. The sections shall also be empowered to hold separate meetings as occasion may require.

CONTRIBUTIONS

5. Contributions, to be payable on the last day in June and December, shall be:—

(*a*) Trade Union branches and Coöperative Societies shall contribute at the minimum rate of 2d. per member per annum, by yearly or half-yearly payments.

(*b*) Socialist societies and Trades Council an annual sum of not less than 10s.

(*c*) Individual male members shall contribute a *minimum sum of 1s. per annum*, and female members a minimum sum of 6d. per annum.

OFFICERS

6. The Officers, the Executive Committee, and two Auditors shall be elected at the Annual Meeting of the General Committee.

(*a*) The Officers shall be the President, two Vice-Presidents, Treasurer, Financial Secretary, and Secretary.

(*b*) The Executive Committee shall consist of the officers and sixteen members who shall be elected at the Annual Meeting of the General Committee upon such proportionate basis of the sections *a, b, c, d, e,* and *f,* as the Local Party may decide, subject to the approval of the National Executive Committee.

(*c*) The Chairman shall preside at all general and E.C. meetings, and sign all minutes after confirmation. In his absence his place shall be taken by one of the Vice-Presidents in order of seniority.

(*d*) The Secretary shall be present at and record minutes of all general and E.C. meetings. He shall conduct all correspondence and

prepare an Annual Report. He shall receive such remuneration that may be decided upon by the E.C.

(*e*) The Treasurer shall keep an account of all moneys received from the Financial Secretary and prepare an Annual Balance Sheet. All money shall be deposited in the bank. Cheques to be signed by the Chairman and the Treasurer.

(*f*) The Financial Secretary shall collect and keep a correct record of all contributions of affiliated societies and individual members, and shall pay over to the Treasurer, at least monthly, all moneys received by him. He shall endeavor to obtain a complete record of the members of all affiliated branches (together with full addresses) in addition to those of the Individual Members. The list should be compiled for ward purposes, and each Ward Secretary should be supplied with a complete list of Members resident in his Ward.

WARD COMMITTEES

7. Ward Committees shall be established in each Ward of the Borough, and include all members of the affiliated branches and individual members resident, or having a place of business, within the Ward. Each Ward Committee shall appoint its own Ward Secretary and any other officials. Ward Committees shall undertake the work of maintaining the necessary machinery for carrying on any election within the area of the Ward, and, with the approval of the Executive Committee of the Party, shall arrange for propaganda work.

ANNUAL MEETING

8. The Annual Meeting of the General Committee shall be held in April, of which 28 days' notice shall be given, stating as far as possible the nature of the business to be transacted. Special Meetings may be called at the discretion of the E.C., or by the written request to the Secretary of at least three affiliated branches or societies, or ten individual members. Seven days' notice of special meetings to be given to the delegates.

CANDIDATURES

9. Candidates of the Party for local elections are to be nominated to the Executive Committee by affiliated societies, or by the individual sections, and shall before standing receive the endorsement of the General Committee. The Committee shall have the power to refuse endorsement if it thinks fit, and may itself nominate a candidate when no other nomination has been made. A list of the candidates so nominated shall be submitted to the Ward Committee where

the General Committee have approved a contest, and the candidate or candidates shall be selected at a joint conference of the Ward Committee and the General Committee.

The Executive Committee of the Party shall have the final decision in case of dispute.

10. The normal procedure with regard to a Parliamentary Candidature will, when there is no special urgency, be as under:—

(*a*) The desirability of contesting the constituency should first be considered by the Executive Committee, in consultation with the National Executive and the Party Officers.

(*b*) If it is thought expedient to contest the constituency, the matter should be, unless time does not permit, brought before the General Committee, with a view to nominations being invited.

(*c*) The representative of any affiliated organization, or the individual Sections, and also the Executive Committee itself, may nominate any person for consideration as Parliamentary Candidate subject (*i.*) to having obtained such person's consent; (*ii.*) in the case of nomination on behalf of any organization, to having obtained the sanction of the Executive Committee thereof.

(*d*) The nominations so made shall be laid before a specially summoned meeting of the General Committee to determine which person, if any, shall be recommended to the National Executive for approval as the Labor Candidate.

(*e*) Where no nominations are made, or where time does not permit of formal procedure, the National Executive may take steps, in consultation with, and with the approval of, the Local Executive, to secure the nomination of a Parliamentary Candidate where this is deemed advisable.

11. Every Parliamentary Candidate must undertake to stand as "Labor Candidate" independent of all other political parties, and, if elected, join the Parliamentary Labor Party.

MISCELLANEOUS

12. The general provisions of the National Labor Party as stated in the Constitution and the Standing Orders shall apply to this organization. This shall include the payment of affiliation fees, election of delegates to the Party Conferences, nominations for the Executive Committee, etc., and resolutions or amendments for the Conference Agenda.

13. Members of affiliated organizations claiming exemption from political contributions under the Trade Union Act, 1913, shall not be entitled to act as delegates.

THE END

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